



bay city

RADIO

ISSUE 1

LOCAL RADIO LICENCE
APPLICATION FORM
(RE-ADVERTISEMENT)
(B: NEW APPLICANT)



This application form (version B) is designed for completion by applicants, other than the existing holder of a local licence in that area, who wish to apply for one or both of two separate licences (for the AM and FM wavebands) in a given area which the Radio Authority is now re-advertising. The new licences will be for a period of eight years from the date of expiry of the licence presently held.

BEFORE COMPLETING THIS FORM, APPLICANTS SHOULD READ CAREFULLY THE NOTES ON PAGE 41.

SECTION 1 : GENERAL

1. RE-ADVERTISED LOCAL LICENCE AREA

Exeter/Torbay

2. NAME OF APPLICANT GROUP (AND/OR PROPOSED STATION NAME)

Bay City Radio Limited

3. LICENCE(S) APPLIED FOR

Indicate whether this application is for :

licences on both AM and FM wavebands

a licence on the AM waveband only

a licence on the FM waveband only

See also Q.50

(TICK ONE
BOX ONLY)

<input checked="" type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

4. MAIN CONTACTS (FOR PUBLIC PURPOSES)

Provide details of no more than two individuals nominated to deal with any press or public enquiries.

Name: (1) *Gareth Keene*

(2) *Bob Priddle*

Address:

Community Media Ltd.

Telephone

(day

6.i. BOARD OF DIRECTORS

Name: *Gareth Keene (Chairman)*

Executive or Non-Executive: *Non-Executive*

Home: _____

Age: _____

Nationality: *British*

Occupation: *Barrister; Director and International Counsel of Eriphyle, a Netherlands-based international medical supply group*

Date on which became a Director: *29th June 1993*

Other Media Interests: *CLASS (Central Livestock Auction Satellite Sales)*

TSW Film & Television Archive for the South West

Other Directorships Held in Past 5 Years:

The Beaford Arts Centre

Central Livestock Auction Satellite Sales Ltd.

Dartington College of Arts Ltd.

The Dartington North Devon Foundation

The Dartington North Devon Trust

European Community Chamber Orchestra Trust Ltd.

Amscordi Ltd. (resigned 1990)

MDU Agencies (Overseas) Ltd. (ceased trading 1992)

The South Devon Family Conciliation Service (dissolved 1991)

TSW - Television South West Holdings PLC (resigned 1992)

TSW Broadcasting Ltd. (resigned 1992)

TSW - Television South West Ltd. (resigned 1992)

Summary of Background and Experience Relevant to Running a Local Radio Service:

Gareth Keene began his career in the Glaxo Group, where he was Secretary of the export company and several of the principal subsidiaries, such as Allen & Hanburys and the BDH Group. He moved to Devon from London in 1973, having been appointed Administrator of Dartington College of Arts, and later became Secretary of the Dartington Hall Trust. For the past ten years, he has been working once more within the international healthcare industry, but from an office base at his home on Dartmoor. Gareth was one of the first directors of TSW, and was Chairman of its Arts Advisory Board. He remains a Trustee of the TSW Film & Television Archive, and is now a director of CLASS, which conducts livestock auctions televisually by satellite transmission.

He was a chorister at Ely Cathedral and a choral scholar of St. John's College, Cambridge, and has extensive experience in performance and recordings as both a soloist and choral singer. He is a trustee of the European Community Chamber Orchestra, chairman of the Beaford Centre and a governor of Dartington College of Arts. His book Sacred & Secular, with Adam Fox, was published by John Murray (and Eerdmans in the USA) in 1975.

6.ii. BOARD OF DIRECTORS

Name: *James St Aubyn*

Executive or Non-Executive: *Non-Executive*

Home: _____

Age: _____

Nationality: *British*

Occupation: *Board member of companies operating primarily in media, financial services and retailing sectors.*

Date On Which Became a Director: *29th. June 1993*

Any Other Media Interests:

Chairman, Cornwall Independent Radio Ltd. (Pirate FM)

Director, Infinity Radio Ltd.

Director, UK Radio Developments Ltd.

Director, UK Radio Holdings Ltd.

Chairman, Armada Productions Ltd.

Other Directorships Held in Past 5 Years:

County Environmental Services Ltd.

Dartmoor Investment Trust Plc.

Denefield Properties Ltd.

Electrical & TV Services (Helston) Ltd.

Exeter Investment Group Ltd.

The Godolphin Company Ltd.

Philip Carr Marketing Ltd.

Rimfax Properties Ltd.

St Aubyn Estates Investments Ltd.

Exeter Fund Managers Ltd. (resigned 1993)

Fitzroy Joinery Works Ltd. (resigned 1993)

The Plymouth Grand Hotel Ltd. (resigned 1989)

Sinclair Henderson Ltd. (resigned 1993)

Threefold Properties Ltd. (resigned 1993)

Summary of Background and Any Experience Relevant to Running a Local Radio Service:

After 12 years with merchant bankers, Kleinwort Benson, James St. Aubyn moved to Devon in 1984. Since then, he has helped establish and develop several new businesses in the South West. These have included Exeter Fund Managers which, despite the dubious timing of launching its first unit trust three months before black Monday in 1987, has become one of the fastest growing unit trust groups in the country with in excess of £100 million under management.

He is also a founder director of the publicly quoted Dartmoor Investment Trust plc, also based in Exeter, whose innovative financial structure has succeeded in generating a high and growing yield for its investors.

In 1990, he was a founder member of the local group from which originated the successful bid for the local radio licence for Cornwall and the establishment of Pirate FM. As Chairman of the company formed to operate the station, he has been intimately involved in its launch and development to date.

In 1992, he assisted in the capital raising exercise whereby UK Radio Developments and Infinity Radio were merged within UK Radio Holdings. He became a director of each company. UK Radio Developments has substantial minority shareholdings in Cornwall Independent Radio Ltd (Pirate FM) and Tristar Broadcasting Ltd (Star FM), while Infinity Radio offers radio investment, research and management services, and acted as programming consultants for this application.

6.iii. BOARD OF DIRECTORS

Name: *Jennifer Michelmore*

Executive or Non-Executive: *Non-Executive Finance Director*

Home: _____

Age: _____

Nationality: *British*

Occupation: *Chartered Accountant*

Date on which became a Director: *July 21st, 1993*

Other Media Interests: *None*

Other Directorships Held in Past 5 Years: *None*

Summary of Background and any Experience Relevant to Running a Local Radio Service:
Jennifer Michelmore was born in Totnes, and comes from a family which for generations has lived in South Devon. Family members have given their name to well established professional practices such as Michelmores, solicitors in Exeter; Michelmore Hughes, chartered surveyors in Totnes; and Harold Michelmore & Co, solicitors in Newton Abbot.

Having grown up and been educated in the area, she graduated with a science degree from Bristol University, and then spent a year travelling in Australia, working in a racing stable for funding. On returning to England, she trained as a Chartered Accountant, qualifying in 1983, and became a partner in Francis Clark, based in Newton Abbot, in 1989. She achieved a further qualification in 1991 by taking Institute of Taxation examinations.

As finance director of Bay City Radio Ltd. she will ensure that the company adopts best working practices in its financial affairs.

6.iv. BOARD OF DIRECTORS

Name: *David FitzGerald*

Executive or Non-Executive: *Non-Executive*

Home Address: _____

Nationality: *British*

Occupation: *Television and Radio Presenter*

Date on which became a Director: *July 21st, 1993*

Other Media Interests: *Freelance contracts with HTV and Anglia Television and Pirate FM Radio.*

Other Directorships Held in Past 5 Years:

The Dead Comics Society

Summary of Background and Experience Relevant to Running a Local Radio Service:

David Fitzgerald joined DevonAir Radio in 1980 as a commercial traffic assistant, and was subsequently made traffic manager. He also started to broadcast on a regular basis.

In 1986, he was recruited by County Sound on a six month contract to organise their traffic system, and then accepted a contract with Invicta Radio on the same basis.

In 1987, David joined TSW in Plymouth as a continuity announcer and news reader, and was employed as such on a freelance basis until TSW lost their franchise at the end of 1992. During this period, he also worked for Channel Television and HTV, who have just offered him another rolling contract for continuity and news reading. Filming has just started for a consumer series which he is presenting for Anglia Television.

He is a freelance writer for television shows such as Russ Abbot and Spitting Image and also enjoys wide success as a commercial script writer and voice for the independent radio network and for television.

During the past eighteen months, he has worked as an occasional weekend presenter on Pirate FM and has been active in helping put this applicant group together.

6v BOARD OF DIRECTORS

Name: *Geoffrey Copeman*

Executive or Non-Executive: *Non-Executive*

Home: _____

Age: _____

Nationality: *British*

Occupation: *Chief Executive, Eastern Counties Newspaper Group Ltd.*

Date On Which Became a Director: *July 21st, 1993*

Any Other Media Interests:

Eastern Counties Newspapers Group Ltd which includes:

Community Media Ltd.

East Anglia Daily Times Ltd.

Mid Anglia Newspapers Ltd.

Roycebadge Distribution Ltd. (ceased trading 1990)

Cornix Typesetters Ltd. (ceased trading 1990)

Legislator 1109 Ltd. (resigned 1992)

East Anglian Radio PLC

The Press Association

Other Directorships Held in Past 5 Years.

Norwich and Norfolk Chamber of Commerce & Industry

Assembly House Caterers

The Norwich Union Life Insurance Society (resigned 1993)

Norwich Union Fire Insurance Society Ltd. (resigned 1993)

Scottish Union & National Insurance Co. (resigned 1993)

Maritime Insurance Co. Ltd. (resigned 1993)

Norwich Union Holdings PLC (resigned 1993)

Summary of Background and Experience Relevant to Running a Local Radio Service.

Since 1982, Geoffrey Copeman has been Chief Executive of the highly respected independent newspaper owner, Eastern Counties Newspapers Group Ltd ("ECN") which has titles all over the UK. He is Chairman of the ECN subsidiary, Community Media Ltd, which publishes the Sidmouth Herald, the Exmouth Journal and four free circulation newspapers within the transmission area. At a group level, he is deeply involved in broadening the business base of ECN, including the development of its recently established subsidiary, Enterprise Radio, which is potentially a significant investor in the independent radio sector.

He is also a director of The Press Association which supplies national and international news to the regional press, television and radio and is Junior Vice President of the Newspaper Society.

Where appropriate, Geoffrey Copeman will be represented by his alternate, Bob Priddle, Regional General Manager of Community Media Ltd, who has been closely involved locally with the progress of this application.

6vi BOARD OF DIRECTORS

Name: *Mary Thomson*

Executive or Non-Executive: *Non-Executive*

Home:

Age:

Nationality: *British*

Occupation: *Event Rider (Equestrian)*

Date on which became a Director: *July 21st, 1993*

Other Media Interests: *None*

Other Directorships Held in Past 5 Years: *None*

Summary of Background and Experience Relevant to Running a Local Radio Service:
Mary Thomson has lived near Sidmouth almost all her life. She was educated locally and in 1981 started up her own yard in Salcombe Regis, which she still runs. In 1985, she secured the sponsorship of The Carphone Group to enable her to develop her career in three day event riding, which then flourished. Recent successes include:

British Open Champion 1990/1991, Ranked World no. 1 1990, Team Gold Medal European Champs, Ireland 1991, Sun Systems Outstanding Rider of the Year 1991, Animal Health Trust Equestrian Personality of the Year 1991. Winner Badminton Horse Trials 1992 (runner-up 1989, 3rd. 1990), winner Windsor 3-day Event 1992 (also won 1988 and 1989) and set world record for consecutive 3-day event wins (5 in 1991/92). Times/Minet Supreme Award 1992. G.B. representative Olympic Games Barcelona 1992 (team 6th., individual 9th). Ranked World No. 2 1992. 2nd. Punchestown International 3-Day Event 1993. Currently on the 'long list' for the European Champs with horse 'STAR APPEAL.'

Mary's first book 'Mary Thomson's Eventing Year' was published in May, 1993. She is also closely involved with the Charity 'Orphan's of Romania.' She has driven in convoys taking supplies to Romania three times ('90, '91, '92).

6vii BOARD OF DIRECTORS

Name: *John Cole*

Executive or Non-Executive: *Non-Executive*

Home: _____

Age: *5*

Nationality: *British*

Occupation: *Stockbroker*

Date on which became a director: *July 21st, 1993*

Any other media interests: *None*

Other directorships held in last five years: *None*

Summary of Background and Experience Relevant to Running a Local Radio Service:

After graduating from Oxford, John Cole's business career has progressed through three distinct phases. At the Central Office of Information in London, he prepared and escorted information tours for visiting Foreign Office guests. As Managing Director of Paignton Pier Company with a staff of thirty and annual attendance of 400,000, he completed a major re-development scheme with Taylor Woodrow as main contractors. Having sold the business, he qualified as a stockbroker and worked successively for H.J. Garratt & Co., London and Exeter, National Investment Group, Exeter and since 1990, Clifton Stockbrokers, Torquay.

He was Chairman of Torbay Conservative Association 1984-87 and previously served as a Torbay Borough Councillor for six years, being Deputy Mayor 1976-77. Active involvement in voluntary and business organisations has included being Chairman of Paignton Round Table and President of The Rotary Club of Paignton.

6. BOARD OF DIRECTORS

- b) If any member(s) of the current board of directors is not expected to remain as a director from the commencement date of the new licence period, please indicate who.

All members of the current Board of Directors are expected to remain in office with effect from the commencement date of the new licence period.

- c) If there are firm plans to appoint any new directors from the commencement date of the new licence period, provide information (with details of any specific individuals in mind). (Note: Responses to questions b) and c) may be supplied separately, in confidence, if necessary).

The Board will advertise the post of Managing Director early in 1994, with a view to making an appointment prior to the launch phase of the new station.

7. EXTERNAL ASSISTANCE

Provide details of any companies or individuals, other than directors or executives of the applicant group, whose involvement in the preparation of this application has been substantial (e.g. legal or financial advisers, research consultants, etc.). State their roles in assisting the applicant group's operation.

- (a) *Pirate FM: Market Research and Engineering Consultants*
- (b) *Infinity Radio Ltd: Programming Consultants*
- (c) *Ernst & Young Exeter: Auditors and Financial Advisors*
- (d) *Tozers, Exeter: Legal Advisors*
- (e) *The Big Idea, Exeter: Graphics*
- (f) *The Sidmouth Herald: Printing*

8. APPLICANT GROUP'S HISTORY AND DEVELOPMENT STRATEGY

Describe how, and when, the applicant group was formed, and how it has developed since then. If the applicant is, or includes, an existing ILR licensee, give details of its history and current broadcasting operations. Describe principles upon which applicant group's future development strategy is based, and its general objectives in applying for this licence.

The Bay City Radio group was convened by David FitzGerald, following informal research into the degree of satisfaction with the present local radio service. He formed a working party of interested personalities in the transmission area, including Peter Kingdon (who participated in the earlier Bay City Radio application in 1979), Jean Kingdon, Beryl McPhail, John Peters, Peter Shipman and Gareth Keene. Through his connection as a freelance presenter and scriptwriter, David approached Pirate FM for advice and support, who in turn effected introductions to both Community Media and Infinity Radio. The group announced its existence publicly in February of this year, and further participants, advisors and investors have joined it during the subsequent months.

The applicant includes an existing ILR licensee in the form of Cornwall Independent Radio Ltd., operators of Pirate FM. Pirate went on air on 3rd. April 1992, some twenty weeks after being awarded the local radio licence for Cornwall - thereby achieving the fastest time for setting up a full service radio station in the UK. At the time it was the most technologically advanced radio station in the world (being featured as such on BBC TV's Tomorrow's World programme).

Pirate has been profitable since its successful launch, and is showing encouraging growth in revenue in the initial months of its second year. Originally, Cornwall Independent Radio shares were held by a tripartite alliance between Local Investors (40%), UK Radio Developments (40%) and County Sound, subsequently Allied Radio (20%). In June, 1993, local investors purchased the Allied Radio shareholding to assume majority control of their company, but with a clear intention to continue their partnership with UK Radio Developments, who can provide the station with additional expertise when required. Pirate broadcasts from two FM transmitters (Four Lanes, Caradon Hill), with a music speech ratio of approximately 70:30. Its music format is adult contemporary. As well as national and international news, its speech content maintains a strong commitment to local news, information and interviews.

Bay City Radio is committed to two guiding principles:

- *Localness* in all its aspects
- *High Quality* of product and service

(Include one additional page, if necessary)

(Question 8 continued)

Its plans are based on the findings of detailed research, on discussions at public meetings and with advisors, and on an objective analysis of the existing DevonAir service.

Our research suggests a yearning for a truly local radio station, one with more local news and information. Indeed, a clear majority of DevonAir's existing listeners (without knowing that DevonAir might not remain on air) indicated that they would be likely to try such a station. Our consultations have highlighted a wide range of opportunities for responding to the interests and concerns of our constituent communities, and for engaging with them in promoting local awareness and involvement.

Our full analysis of the current DevonAir output is contained in our research appendix. Monitoring of both the weekday and weekend services was conducted on a 24hr. basis in each case, splitting output into time, duration, disc, commercial break, pre-recorded station ID, local news, national news and local information. We found on weekdays that:

- in the entire 4-hour breakfast show, only 21 minutes could be counted as local news or information, (local news, weather, travel news, what's-ons, features or local speech of any kind, but excluding local advertising breaks).

- between 10 a.m. and 4 p.m. there were merely 12 minutes of 'localness' (as defined above) within 6 hours of broadcasting - roughly 2 minutes an hour, consisting generally of half of the home-mix news plus the local weather, without a single local what's-on.

- in drivetime, the local output increased slightly, mainly in the form of travel news, but between 4 p.m. and 6 p.m. there were only 8 minutes in total of local output.

- the last local news at 6 p.m. consisted of some 3 minutes of local news and 15 seconds of local weather and, from then on until 6 a.m. the following day, there were only a further 7 minutes of local output (10 minutes in total for the 12 hours from 6 p.m.-6 a.m.)

Thus, in 24 hours, only 51 minutes offered 'localness'; even in daytime peak, this figure was only 41 minutes in 12 hours - less than 6% of total daytime output.

We consider that DevonAir has abdicated from its central duty to be a local radio station. It now proclaims: "The new Devonair double whammy: less chat, more music." Bay City Radio will restore a proper balance between music and speech, with 'localness' its prime concern.

We recognise that the licence area does not form a single, coherent whole; the licence holder should use the transmission and other resources at its disposal to promote local distinctiveness. We recognise, too, that the area has a substantial population in the older age groups, and that a choice of listening is desirable.

Our plans, therefore, include: -

● *A greatly enhanced commitment to local news and information, including "Devon Day," a hour-long weekday evening news and current affairs programme*

● *Access to the air for local initiative of all kinds, through interviews, trailers and other means*

● *Separate newscast windows for Exeter/East Devon and for Torbay/South West Devon*

● *A distinctly different service on the FM and AM wavebands*

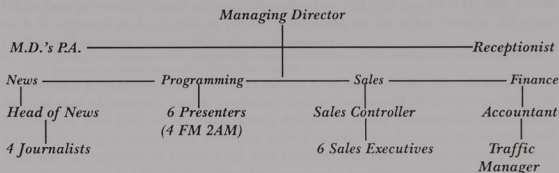
● *The establishment of an associated charitable trust to serve the local communities, and the maintenance of a sponsored listener helpline in conjunction with Community Service Volunteers ("Action Desk.").*

Bay City Radio will concentrate its resources where they matter most. With its commitment to high quality, it is not defensive about the use of automation, where appropriate, to achieve a varied and complete local service.

Our plans are, therefore, both affordable and practicable. Bay City Radio will be a profitable company. It will not compromise its commitments.

9. STAFFING

- a) Provide a staffing chart showing all proposed station management and staff posts, and indicate clearly the planned reporting structure.



Notes

1. *Presenters to report directly to Managing Director in his capacity as programme controller.*

2. *Sales secretary to be added in year 2.*

- b) Give number of full-time and part-time staff in paid posts, arranged by department (e.g. programming, news, sales, engineering, etc., as appropriate to group's proposals), and in total. Provide details of anticipated salary levels.

The station plans to engage 23 full time members of staff as follows:-

<u>Administration</u>	(£)
Managing Director	35,000
PA	11,000
Receptionist	8,500

<u>Finance</u>	
Accountant	14,000
Traffic Manager	10,000

<u>Programming</u>	
FM Presenter 1	24,000
FM Presenter 2	20,000
FM Presenter 3	18,000
FM Presenter 4	10,000
AM Presenter 1	20,000
AM Presenter 2	16,000

<u>News</u>	
Head of News	17,000
Journalist 2	15,000
Journalist 3	13,500
Journalist 4	13,500
Journalist 5	12,000

<u>Sales</u>	
Sales Controller	20,000 (plus commission)
Sales Executive 1	11,000 (plus commission)
Sales Executive 2	11,000 (plus commission)
Sales Executive 3	11,000 (plus commission)
Sales Executive 4	11,000 (plus commission)
Sales Executive 5	11,000 (plus commission)
Sales Executive 6	11,000 (plus commission)
<u>Total: 23 Staff</u>	<u>£343,500 per annum</u>

(Include up to two additional pages, if necessary)

- c) If appropriate, indicate clearly any management or staff positions which will be shared, within a group operating structure, between the radio service proposed for this licence area and an existing ILR operation.

Bay City Radio will be an independent company, and no staff or executive sharing is anticipated with any other radio station.

- d) If appropriate, indicate any planned allocation or division of management or staff responsibilities between AM and FM services (e.g. in programming, sales, etc.)

While four presenters would normally broadcast on FM and two on AM, they would each be expected to be flexible to fill in, if required, on the other service. All other staff would combine responsibility for both services.

- e) List any activities which will be contracted-out to agencies, consultants, etc. (state who these are), including numbers of personnel upon whom station will be able to draw, if known.

Commercial production may be contracted out to Alfasound Ltd, Manchester, if it is decided that Alfasound's pool of producers and writers would enhance creativity (as happens at Star FM) or the station may opt for in house commercial production, particularly if a candidate emerged who provided back up as an occasional presenter (as happens at Pirate FM). It is expected that either route would generate a similar income for the station from its commercial production activities.

- f) Give details of any role to be played by unpaid voluntary helpers in running the station, including estimates of the numbers of volunteers who might participate during a typical week, and the activities they might undertake.

It is not anticipated that the station will use any unpaid voluntary helpers in running the station.

10. MANAGEMENT (including executive directors named at Q.6)

Give name, age, address and nationality of any individuals so far identified for station management or other senior staff posts. Briefly describe personal background and relevant previous experience, and state which post the individual would occupy. State whether each individual has actually confirmed his or her willingness to accept the post, if offered.

(Note: It is recognised that, in answering this and previous questions, applicants may wish not to disclose publicly the identity of certain individuals whose current employment might be jeopardised if their involvement became known. Details of such individuals should be provided separately in a covering letter, which the Authority will regard as being strictly confidential).

None of the present Directors is proposed as a full-time executive, nor have any other potential senior staff been approached. In the event of the award of the franchise, qualified management led by an experienced Managing Director will be recruited. With an anticipated on-air date of January 1st, 1995, the applicants would phase recruitment through calendar year 1994. They would consider the option of appointing a Launch Chief Executive, if a suitably experienced candidate is available, for the launch period and early months of broadcasting.

Personnel from Pirate FM and Infinity Radio will be available, as appropriate, to work alongside management to establish the station.

(Include one additional page, if necessary)

SECTION II : PROGRAMMING

IMPORTANT NOTES:

- 1) Applicants submitting proposals for different programme output on AM and FM wavebands should, within a single application document, complete this section of the application form twice: first detailing their programme proposals for a service on the AM waveband (Q.11-22), followed separately by proposals for a service on the FM waveband (Q.11.22, again).
- 2) Responses to this section of the application will form the basis of the successful applicant's 'promise of performance,' to be incorporated in the licence issued for the new licence period.

11. PROPOSED PROGRAMME SERVICE

- a) State waveband (AM or FM), and name of proposed programme service on that waveband.

Section II (A) FM Proposals

Bay City proposes to split its FM and AM frequencies. In this application it seemed logical to present our FM proposals first because this would be our primary service. Our AM proposals follow in Section II (B). We plan our FM service to be known as BAY CITY RADIO.

- b) Outline, briefly and in general terms, the approach and objectives of the proposed programme service, and the broad format and content to be provided: e.g. whether a 'full service,' or more specialised in appeal; whether predominantly music-led or speech-based; the extent to which output would be locally-originated or part of a wider, externally-sourced service.

b) Bay City Radio will be a full service local radio station aimed predominantly at the 25-54 age group, It will be much more responsive than the existing licence-holder to the wishes of the potential radio audience.

In musical terms Bay City Radio will be an adult contemporary radio station playing the more melodic examples of current hits, plus the best-produced and best-loved examples of oldies stretching back to the mid sixties.

In terms of 'localness' Bay City Radio will have a commitment to local news and information which is at least 100% greater (and probably even higher) than the existing licence holder. This however is hardly a rash promise as monitoring DevonAir peak daytime output (from 6 a.m. to 6 p.m.) shows 'localness' to represent only 6% of its airtime. 'Localness' in this context is taken to mean local news, local weather, local travel, local what's ons, local interviews etc. (but excludes local commercials). In the off-peak hours from 6 p.m. to 6 a.m. this 'localness' diminishes to just 1.4% of total output

We reject financial arguments as being a justification for DevonAir's current meagre local output. We believe we can provide a highly cost-effective split FM/AM service by concentrating our staffing resources into daytime and using intelligent automation in off-peak hours. Even during times of automation, we promise to have a significantly greater local output than DevonAir.

During the weekday hours of 6 p.m and 7 p.m. we plan to re-introduce Devon Day, a news and current affairs programme broadcast by the original DevonAir, which, despite the time of day, over a third of the entire radio audience said they 'might', or were 'quite likely' or 'very likely' to listen to.

We will also increase the number of daytime news bulletins and their duration. At the moment DevonAir's local daily news bulletins run from 7 a.m. to 6 p.m. Apart from 5 minute 'home-mix' bulletins at 7am, 8am, 1pm, 4pm & 5pm - all the rest are just three minutes. Three minutes to take in everything world, national and local. We believe that in a rural ILR situation where there are no other local commercial choices - and where the population is weighted towards older age groups - this is simply not enough.

In addition, during morning and lunchtime peaks, we will run even longer bulletins on our AM service (Full details are given in our sample Programme Schedules).

Bay City Radio will also re-introduce local guest spots to daytime commercial radio. We do not believe that the daytime jukebox format currently provided by DevonAir is what even its own existing audience wants. Significantly, even among its own existing listeners, our research shows that 25% of DevonAir's listeners also listen to BBC Radio Devon; 19% also listen to Radio 4 and 30% also listen to BBC Radio 5. We believe this is evidence that the DevonAir audience is not getting the speech/music ratio it wants.

12. BALANCE BETWEEN MUSIC AND SPEECH

Of all programming airtime (i.e. excluding any advertising or other commercial minutage, promotional trails and sponsor credits), what proportion will be devoted to speech (including presentation of music)? Enter, in the following table, the minimum and maximum percentages of programming airtime that speech output would form, in each of the periods specified.

	Speech as % of prog. airtime			
	'Peaktime' (06.00-19.00)		'Non-peaktime'	
	Min. %	Max. %	Min. %	Max. %
a) On a typical weekday (Monday-Friday)	20	40	5	25
b) On a typical Saturday	15	30	5	25
c) On a typical Sunday	15	30	5	25

13. MUSIC OUTPUT

- a) Weekday peak-time music
 If it is proposed to include music within the weekday peak-time (06.00-19.00) output, give details of the predominant type(s) of music by which it is expected that the service would be identified, using recognised definitions: e.g. current and recent 'top 40' chart hits; gold (former chart hits); dance; easy-listening; etc. For each type, provide four examples of individual tracks (naming recording artists) as representative illustrations. State the minimum and maximum proportion (as a percentage) of total music output to be represented by each type listed, during any consecutive period of three weekday peak-time hours devoted mainly to music output

Type of music	Illustrative tracks and artists	Music type as % of total music output	
		Min.%	Max.%
<i>Adult Contemporary</i>	<i>Uptown Girl - Billy Joel</i> <i>Eternal Flame - Bangles</i> <i>Bohemian Rhapsody - Queen</i> <i>I've Got You Under My Skin - Four Seasons</i>	70	100

(Include one additional page, if necessary)

- 10 - FM

b) Music output at other times

Provide details of any type(s) of music, other than those listed at a) above, which it is intended to broadcast either during non-peak-time hours on weekdays (i.e. before 06.00 or after 19.00), or at any time of day during weekends. For each type, provide four examples of tracks (naming recording artists) as representative illustrations. State, for each type listed, the anticipated amount to be broadcast, and when it would be scheduled.

<u>Type of music</u>	<u>Illustrative tracks and artists</u>	<u>Total no. of hours per week</u>	<u>Day(s) of week week and time(s) of day</u>
<i>GOLD</i>	<i>Penny Lane - Beatles</i>	<i>5</i>	<i>13.00-18.00</i>
	<i>I've Got You Under My Skin - Four Seasons</i>		<i>Saturday</i>
	<i>Good Vibrations - Beach Boys</i>		
	<i>Baby Love - Supremes</i>		

(Include one additional page, if necessary)

14. SPEECH CONTENT

Describe, as fully as possible, the speech content (if any) of the service proposed, other than news output (see Q.15 below). Provide examples of speech material, and indicate whether this would be in the form of short features (less than 3 mins. duration), longer items or entire programmes. (All regular speech output, apart from general presentation and introduction of music items, should be included in the proposed programme schedule at Q.20).

Bay City Radio intends to restore the speech/music ratio which we believe research shows the Devon radio audience demands of a full service local commercial radio station.

Over the years DevonAir has diminished that ratio to a point where in the latest revamped station format, local speech now accounts for a tiny fraction of the station's overall output.

Even in drivetime, the only local speech on DevonAir is predominantly a small amount of local news, local weather and local travel news. During the period we monitored the only short item that sounded anything like a 'what's on' was a piece on the Exeter Festival. There were no other references to forthcoming events and no guest interviews at all. Outside the local news there were no local issues discussed in mainstream programming and no other forms of community service broadcasting (like Action Desk).

Bay City Radio intends to return to these values not just for altruistic reasons, but because we believe they are based in sound commercial sense. DevonAir's own sliding audience figures over the years show how badly its original public service values are missed. Our research shows that even among DevonAir's own existing listeners, the vast majority said they would try a new local radio station offering a mix of oldies and current day hits with more local news and information. This was even assuming DevonAir would remain in the programming mix

It therefore makes absolute commercial sense to provide a more local radio station because this is what most of the available radio audience says it wants.

Bay City Radio will expand news coverage of the region by introducing longer news bulletins and more of them. It will have a full weekend news service and will provide news windows to provide split coverage between Exeter/East Devon and Torbay/South West Devon.

Bay City Radio will introduce a weekday evening news and current affairs-based programme - something that DevonAir's listeners used to enjoy when the station made its debut in 1980.

Bay City Radio will operate a community Action Desk so that, where appropriate, community-based requests can get airtime. It will also operate a What's On service so that local charities and organizations can publicise their events and activities.

Bay City Radio will also have guest slots in weekday daytime programming so that local issues can be discussed in more depth, so that local arts and entertainments can be spotlighted, and so that local experts and local personalities can be interviewed as part of mainstream programming. Many of these slots would not need to exceed three minutes in duration, although one guest might occupy up to 3 x 3 minute slots, interspersed by music, commercials and other items.

15. NEWS OUTPUT

a) National and international news

If it is proposed to provide national and international news output, state the periods of the broadcasting day (separately for weekdays and weekends) when this would be included, the scheduling and duration of this output, and the proposed source(s) and/or means of collecting such news.

It is intended to broadcast national and international news utilising the services of IRN. We may broadcast IRN live and then follow it with locally-produced supplements, particularly if this allows us to increase the amount of local news produced and also allows us to operate split news windows for Exeter/East Devon and Torbay/South West Devon. National and international news via IRN will operate from 6 a.m. to midnight weekdays and from 6 a.m. to 6 p.m. weekends.

b) Local and regional news

If it is proposed to provide local and/or regional news output, state the periods of the broadcasting day (separately for weekdays and weekends) when this would be included, the scheduling and duration of this output, and the proposed source(s) and/or means of collecting such news.

Bay City Radio intends to provide a significant increase in news output over the existing licence holder, DevonAir. We will do this in five ways: 1) Increase duration of news bulletins; 2) Increase the number of bulletins; 3) Introduce an evening news and current affairs programme; 4) Introduce split news windows so that a greater amount of news may be broadcast simultaneously to specific geographic areas; 5) Have longer bulletins at certain times on AM with shorter FM opt-out points (although still longer than the current DevonAir combined service bulletins).

We will achieve an enhanced local news output by using a team of five journalists - a Head of News plus four reporters.

Local bulletins will be broadcast weekdays from 6 a.m. to 7 p.m. inclusive. All FM bulletins will be five to six minutes duration, except 2 p.m., 3 p.m. and 4 p.m., which will be four minutes. At 1 p.m. there will be a 7 or 8 minute main lunchtime roundup of news and sport and at 6 p.m. there will be an hour long news and current affairs programme. Additionally, there will be news headlines on the half hour in morning and evening drivetime. At the weekend, there will be local bulletins of four minutes from 8 a.m. to 1 p.m. inclusive on Saturday and Sunday. Additionally, some AM bulletins will be of longer duration with FM opting out to meet the durations listed above. Full details are given in our AM programming section.

It is a key point in this application that we will use the technological advances of recent years to provide split news windows during key bulletins to permit geographical splits between our East and South West areas. Because of its geographical size - and topographical features - unless you have lived in the area it is difficult to imagine the differences in emphasis between Torbay/South West Devon and Exeter/East Devon. If you live in Honiton (East Devon), you might as well hear a news item about Bristol or Cornwall as hear an item about Paignton (South West Devon). The regional differences are so distinct that local stories rarely have cross-county relevance. We will aim, therefore, to provide split local windows at 7 a.m. 8 a.m., 1 p.m. and 5 p.m. This will allow us to cover more local stories in depth and to provide a service which is much more local than that provided by the existing licence holder.

During these geographical splits our Exeter and Honiton FM transmitters (and our Exeter AM transmitter) will provide one split and our Torbay FM (and Torbay AM) transmitters will provide the other.

In summary, we intend to provide more news bulletins; longer duration; geographical split news; and FM & AM duration splits. We therefore believe our news proposals are a significant improvement over that provided by the existing licence holder and reflect the proven requirements, tastes and interests of the population in the service area.

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16. BROADCASTING HOURS

During which hours of the day is it intended to broadcast a programme service? (Please state if broadcasting hours will differ on weekdays, Saturday and Sunday).

It is intended that Bay City Radio will operate 24 hours a day, seven days a week.

17. NON-LOCAL ORIGINATION

If it is proposed that part or all of the programme service will be provided other than by 'live' programming originating from a studio (or outside broadcast facility) within this licence area, provide details of this, indicating the nature and source of such material, and its scheduling and duration. Include each of the following, as appropriate:

- a) Programming that is part of a wider regional or networked service, originating from a studio outside this licence area. (Programming integrating material originating from a studio outside this licence area with locally-originated items by means of digital or other technology should be described under this heading, with a full explanation of the means of compilation and presentation of such programming);

It is not intended to use programming that is originated from outside Bay City Radio's own studios. Off-peak programming (midnight until dawn weekdays) will be generated by the station's own automation system. (See Q.18). However, even during automation, localness will be maintained with pre-recorded What's Ons and other items. Of DevonAir's current live overnight output, our monitoring only showed an average of 1.4% local speech output. We believe it is better to concentrate our live resources during peak time so that we may offer a greater amount of local daytime output - and to be able to provide a split daytime programme service.

- b) Other than national and international news, all syndicated programming (e.g. any concerts, chart shows, interviews, drama, etc).

We intend to broadcast the Network Chart Show but have no plans to broadcast other syndicated material - particularly during peak time.

(Include one additional page, if necessary)

18. AUTOMATED LOCAL OUTPUT

If it is proposed to provide locally-compiled programming which involves no presentation at all, or pre-recorded rather than 'live' presentation (excluding commercials, sponsor credits, networked news and pre-recorded promotional items), please give details, indicating scheduling and duration.

Our extensive monitoring exercise on the existing licence holder, DevonAir, revealed no significant local output overnight. For example, between 1am and 2am on 15 July 1993, the IRN news was followed by 15 seconds of local weather; pre-recorded station ID; two songs; pre-recorded station ID; one song; live station ID and DJ namecheck, two songs; back announcement and dedication. (There was only one 30" advertising break in the hour). This pattern continued through the night. Apart from live dedications, there was nothing that could not be handled by sophisticated automation. In fact, it would be our intention to use automation from midnight until 6am and we would use the automation in such a way as to enhance the localness (for example, by programming in presenter read what's ons and other community information through the night). Our full use for automation is shown in the programme schedule. We believe it is far more sensible to direct valuable resources towards improving daytime programming, rather than squander them overnight - particularly if what you are doing has no intrinsic live merit.

19. OUTPUT IN LANGUAGE(S) OTHER THAN ENGLISH

If any programming in a language (or languages) other than English is proposed, state which language(s), give details of the expected amounts of such programming and its time of scheduling, and estimate the number of persons living in the area who are able to understand the language(s) to be used, and the percentage of the total population of the licence area which they represent.

Because of the make-up of the local population it is not necessary to utilise any language other than English.

20. PROGRAMME SCHEDULE

Using, if necessary, a maximum of two pages for each, provide an outline of the proposed programme schedule for: a) a typical weekday (indicating variations from day to day, as appropriate;

b) a typical Saturday;

c) a typical Sunday.

Summarise, for each programme sequence, the main type(s) of music and/or speech content, style of presentation, and the proportion of programming airtime (see Q.12 for definition) devoted to music and speech. Indicate duration and scheduling of any national/international and/or local/regional news output. These should be consistent with responses to other questions in this section of the application. (Note: The successful applicant will be permitted to vary the detail and timings of this outline schedule, provided that the general approach and balance of the service proposed in this application is maintained within the 'promise of performance' agreed).

a) Typical Weekday

WEEKDAY PROGRAMME SCHEDULE - BAY CITY RADIO FM

06.00-10.00 DEVON DAWN

Devon Dawn will be a double-headed breakfast show featuring a mainstream presenter and the early morning journalist. The team will be selected to combine good humour and professional presentation with intelligence and authority. Although the show will be tightly formatted, the team will have the authority to depart from the format to follow an important breaking story or issue that affects the county. The show will be a speech/music mix with an emphasis on local news, information and entertainment. Weather in one form or another - of extreme importance in the South West - would be given at least every other link. Travel news (much more important in the South West than might be imagined) would happen every 20 minutes at peak.

Speech/Music Mix: It would be anticipated that we would play between seven and nine records per hour in the breakfast sequence.

News Content: There will be local, national and world news at 6 a.m. 7 a.m., 8 a.m. 9 a.m. (the 6 and 9 a.m. bulletins 5 minutes duration, the 7 and 8 a.m. bulletins 6 minutes duration). In addition, there will be main headlines at 6.30, 7.30 and 8.30 a.m. and short 'easier-style' headlines at 7.15, 7.45, 8.15 and 8.45 a.m.

10.00-14.00 BAY CITY BRUNCH

Unlike the existing DevonAir, this period will not just be a music jukebox. Bay City Brunch will include guest interviews which are either related to important issues affecting the county - or entertainment related. Presentation will be solo.

Speech/Music Mix: Will vary between eight records an hour when guest interviews are scheduled, up to nine or eleven records an hour when no interviews are scheduled. (This also depending on the advertising load).

News Content: There will be local, national and world news bulletins at 10 a.m., 11 a.m., Noon and 1 p.m. The 10, 11 and Noon bulletins will be five minutes; the 1 p.m. is likely to be up to seven or eight minutes when there will be an opt-out point for FM, although on the AM service the bulletin will be a full 15 minutes long.

14.00-18.00 BAY CITY AFTERNOON

The early part of the afternoon will include expert guests such as a local doctor, beauty expert, tourism officer and so on. From 4.30 the emphasis will return to local news and information with an extended news bulletin at 5 p.m. and a greater amount of travel news. Presentation will be solo.

Speech/Music Mix: As for 10.00-14.00.

News Content: There will be local, national and world news bulletins at 2 p.m. 3 p.m. 4 p.m. and 5 p.m. The duration will be 4 minutes at 2 & 3; 6 minutes at 5 p.m. (with an FM opt-out to permit longer duration bulletins on AM). Additionally there will be headlines at 4.30 and 5.30 p.m.

(Question 20 continued) FM

18.00-19.00 DEVON DAY

Devon Day will be our flagship news and current affairs programme. It will blend IRN billboard for national and world items with local pre-recorded features and live guests. It will be presented by a senior journalist and the live guests will provide fresh news cuts for the next morning's breakfast show. We will aim to build up a panel of experts on a variety of subjects from the tremendous educational, cultural and other resources based in the area.

Speech/Music Mix: It is intended that this hour will be predominantly speech, with music only used for illustrative purposes as necessary.

News Content: Devon Day will start with a full eight minute bulletin at 6 p.m., with an opt-out point this time to allow AM to return to Gold-format programming as a music alternative. We have chosen the FM service to carry the news and current affairs programme because our research suggests that FM is the first choice of the majority of the available audience.

19.00-24.00 BAY CITY RED

As Bay City will have a sister AM station concentrating on Gold-format music, evenings on Bay City will be tilted towards a younger age group (aimed predominantly at the 12-24s). This strand of programming will emulate the extremely successful 'Red Fox' on Oxford's Fox FM. A younger music mix will be complemented by experts on homework advice and exam preparation, youth initiatives and successes and live gig guide information. Presentation will be solo.

Speech/Music Mix: The emphasis will be on music during this programming strand, although speech items will be accommodated as indicated above.

News Content: The last bulletin with planned local content will be 7 p.m. (five minutes duration), although this would be varied if local circumstances required it on the day. IRN bulletins would then continue from 8 p.m. to Midnight.

00.00-6.00 BAY CITY EXPRESS

Bay City Express will be our overnight FM automation system. We will play a mainstream daytime music mix overnight and the presentation will appear to be live, although it will be programmed by very sophisticated automation like the RCS system installed at Star FM. As well as the music, commercials, promotions, station identifications and presenter links, it is our intention to include pre-recorded what's ons and action desk announcements. We know we can use automation in a way which will make programming far more local than the current live output scheduled by DevonAir.

Speech/Music Mix: Automation as indicated above.

News Content: IRN may be incorporated into the automation or we may use Network News on the AM Gold service.

b) A typical Saturday

SATURDAY PROGRAMME SCHEDULE - BAY CITY RADIO FM

06.00-08.00 BAY CITY EXPRESS

On Saturday morning, automation will continue until 8 a.m. to permit us to conserve resources for the main part of the day. The automation, however, will include 'as-live' presenter links and pre-recorded previews of the weekend events in the Bay City region.

08.00-13.00 BAY CITY SATURDAY

Using the sophisticated 'live-assist' mode of the RCS digital system, five hour weekend presentation shifts are entirely possible. It also permits the FM station to be programmed seven days a week on just four full-time presenters, with built in provision for sickness and holiday cover without an additional expensive freelance budget. Bay City Saturday will look ahead to Devon's many weekend events and attractions - particularly in the summer. It will also look forward to the afternoon's sporting events.

(Question 20 continued) FM

Speech/Music Mix: The emphasis will be on music with speech in blocks of less than three minutes.

News Content: Local, national and world news bulletins will be featured from 8 a.m. to the hour through until 1 p.m. These bulletins will generally be four minutes in duration. Additionally, there will be headlines at 8.30 and 9.30 a.m.

13.00-18.00 BAY CITY SPECIAL

Bay City Special will be a speech/music mix where the emphasis will be on local, national and world sport. Bay City will encourage coverage of the many sporting events in the area, from football and cricket, to hockey and rugby as well as the many water-based sports and recreational pastimes in the area. Presentation will be by the news person who specialises in sports coverage.

Speech/Music Mix: The number of songs per hour will vary between six and nine, depending on the number of events being covered. The speech items will consist of a mixture of IRN sporting billboard, local pre-recorded sporting items and live local guests.

News Content: The last scheduled local news bulletin of the day will be broadcast at 1 p.m (duration four minutes) and thereafter the bulletins will originate from IRN with local sporting supplements as necessary. A high proportion of the speech items will be local sporting news.

18.00-24.00 BAY CITY RED - SATURDAY NIGHT

This will continue the Bay City Red programming strand from weekdays and will therefore concentrate on a younger audience than our mainstream target.

Speech/Music Mix: This strand is more music based to appeal to younger tastes and interests but will still include local 'what's ons' and 'action desk' information.

News Content: IRN bulletins will continue on the hour through until midnight.

00.08.00 BAY CITY EXPRESS

Automation as weekdays.

c) A typical Sunday

SUNDAY PROGRAMME SCHEDULE - BAY CITY RADIO FM

06.00-08.00 BAY CITY EXPRESS

On Sunday morning, automation will continue until 8 a.m. to permit us to conserve resources for the main part of the day.

08.00-12.00 BAY CITY SUNDAY

The Bay City Sunday is deliberately split into two distinctive strands. 8 a.m. to 1 p.m. has an emphasis on light adult contemporary music with competitions, entertainment, a look at the Sunday newspapers and a re-cap on some of the main Bay City features and stories of the past week. Bay City Leisure, which follows, has an emphasis on outdoor leisure.

Speech/Music Mix: Light adult contemporary music -70/30 music speech mix.

News Content: Local, national and world bulletins from 8 a.m. to 1 p.m. inclusive - each approximately four minutes duration.

12.00-16.00 BAY CITY LEISURE

Devon has an enormous number of outside events - particularly during spring, summer and autumn. Although many are enjoyed by tourists, the majority are aimed at the local population. Bay City Leisure will be a vehicle which we use to attend outside events (using landlines or other links provided by sponsorship). This programme will also take short pre-recorded leisure-related items assembled during the week by presenters and journalists at other events.

(Question 20 continued) FM

Speech/Music Mix: The music/speech ratio will depend, in part, on whether or not the programme is on location. The ratio would therefore change from 70/30 music/speech to 50/50 depending on requirements on on-location audio.

News Content: If the programme is on location at an event, then news supplements would continue to be added to IRN bulletins. Under normal circumstances the last full local, national and world bulletin would be at 1 p.m. with IRN bulletins continuing for the rest of the afternoon until the Network Chart Show.

16.00-19.00 NETWORK CHART SHOW

The Network Chart Show would be taken by Bay City Radio on its FM service but split output would continue on AM (see separate programme schedule) to provide a music alternative.

Speech/Music Mix: Syndicated programme.

News Content: News bulletins are suspended during the Network Chart Show, but it would be intended to maintain full IRN (or Network News) bulletins on the AM Gold service during this period (see AM programme schedule).

19.00-24.00 BAY CITY RED - SUNDAY NIGHT

This will continue the Bay City Red programming strand from weekdays and will therefore concentrate on a younger audience than our mainstream target.

Speech/Music Mix: This strand is more music based to appeal to younger tastes and interests but will still include local 'what's ons' and 'action desk' information.

News Content: IRN bulletins will continue on the hour through until midnight.

00.00-06.00 BAY CITY EXPRESS

Automation as weekdays.

21. APPEAL OF PROGRAMME SERVICE

- a) To what extent, and in what ways, is the proposed programme service designed to "cater for the tastes and interests of persons living in the area," either general or particular?

a) *Bay City Radio is designed to cater more accurately for the tastes and interests of people living in the transmission area than the service currently provided by DevonAir. According to the last available RAJAR information (a new survey was due just before this application closed) DevonAir's audience is not adequately targeted to the available winnable population. Despite the population percentage apparently reached by DevonAir's 15-24 audience (the highest percentage of any of their demographics), numerically it accounts for only 31,000 of their 140,000 listeners and over the adult population as a whole, only accounts for 14% of the available audience.*

Our own research (see research appendix and answers to Q23) suggests there is a far greater appetite for local programme content than is currently provided by the licence holder. A clear majority of respondents said they would be likely to listen to 'a more local' station providing a mix of oldies, current melodic music with more local news and information. This finding was given without respondents being told that DevonAir might no longer be a part of the available radio mix. We believe Bay City will more closely meet the requirements of the Broadcasting Act by providing more local news and information as well as better focussed music and entertainment.

- b) If the programme service is designed to appeal especially to particular sections or demographic groups (e.g. certain age-groups) within the population, state which.

b) *The Bay City Radio FM programme mix will be designed to cater primarily for the 25-54 age range which accounts for 31.24% of the entire adult population. (The 55+ population accounts for 39.56% of the adult population, but is calculated to be more likely to listen to BBC Radio Devon and national BBC services. However, we believe the Bay City FM format is likely to achieve a higher penetration of the 55+ age group than DevonAir's current 21.5%). Additionally, our AM service (see separate programme proposals) will be aimed at the 35+ audience which accounts for 73.12% of the available population.*

- c) To what extent, and in what ways, will the proposed service cater for tastes and interests different from those catered for by any other Independent Local Radio services provided within part or all of the licence area, apart from those for which the licence(s) are currently being re-advertised?

c) *In an area where there is no significant commercial competition we believe it should be possible for the station with a monopoly of local commercial broadcasting to record a higher weekly reach than recorded by DevonAir over recent years. We believe this to be particularly true given the coverage afforded by five transmitters - three FM and two AM. Indeed, given the cost of transmission facilities it is imperative that the maximum benefit is derived from audience levels and revenue opportunities. We believe JICRAR/RAJAR evidence of DevonAir's audience decline over the years is difficult to refute. When DevonAir recorded a 58% audience reach (in line with the sort of figures recorded at the time by stations like Plymouth Sound and Swansea Sound), it carried ten minute bulletins at 7 a.m. and 8 a.m.; a 15 minute lunchtime news and an hour long evening news and current affairs programme. It had split morning and afternoon output and its programming featured a variety of guests in mainstream programming. True, BBC Radio Devon arrived on the scene during this period, but that was also true at Plymouth Sound. Changes in the audience during the period have been most dramatic at DevonAir. Bay City Radio intends to return to traditional values because they make commercial sense and they are directly in line with what our own research suggests the audience requires from a local radio station.*

We do not dispute that DevonAir's current programming philosophy would be legitimate in a more crowded radio market. We do not, however, believe that the first (and in this case only) local radio station in a market should have such scant local content. If DevonAir were the second or third station in a commercial market their programming would offer an alternative. In the current market we believe the local commercial radio station should be broadcasting not narrowcasting. As our separate AM programming proposals also make clear, we do not accept that simulcasting is necessary on economic grounds. Current developments in digital broadcast systems make this argument unsustainable.

22. **RELATIONSHIP BETWEEN EXISTING ILR SERVICES⁵⁰ IN THE AREA AND APPLICANT'S PROPOSALS**
To what extent does the applicant propose to provide a programme service which is similar in format and approach to that provided by the existing holder of the licence now being re-advertised? In what way(s) would the applicant's proposed programme service differ from the service(s) provided by the existing licensee?

Bay City Radio FM (our AM proposals are made separately) are only similar to the existing licence holder in that our music proposals are both based in traditional ILR 'adult contemporary' origins. However, from our monitoring of DevonAir we believe that our mainstream output would concentrate on more melodic elements of current hit music and that the gold content of our programming would include more music from the sixties than currently appears to be the case on DevonAir.

We base this premise on the research findings highlighted in Q23. Of the music types we tested, a 'Gold format' station was the most popular choice with 64% of respondents either saying they 'might listen', would 'quite likely' listen or would 'very likely' listen. By contrast, a 'Top 40' station received only 28% approval (just 6% saying 'quite likely' and just 8% saying 'very likely').

We believe this evidence strongly suggests that DevonAir's current performance is tilted towards the wrong age group (their Quarter 4 1992 RAJAR shows the 15-24 audience as their biggest following). More sixties gold and less Top 40 would produce a music mix which would be more likely to be appreciated by a wider audience.

By the same reasoning, we believe our research points to a far greater appreciation of local news and information - and it is in this area that our programme proposals differ significantly from the service provided by the existing licensee.

Our monitoring exercise (full results and original cassettes provided with our research appendix) shows that outside breakfast, the vast majority of DevonAir output consists of music and pre-recorded station slogans. In fact we detected 31 slogans played roughly between six and seven times an hour. (The station finds times to play at least six station slogans an hour, but hardly a detectable local 'what's on').

DevonAir makes no secret of where its new emphasis lies. One of its slogans says: 'Keeping the DJ chat down and the music quality up, the new DevonAir FM.' Another says 'The new DevonAir double whammy: Less chat, more music.'

This may be the mix favoured by a younger audience, but given the small size of this demographic in comparison with older age groups in Devon, we do not believe it is the policy which will produce the biggest commercial audience. Our research suggests a distinct lack of loyalty by a dissatisfied DevonAir audience. A majority of the station's own listeners said they would be likely to use a more local radio station and a very large percentage of the station's listeners also use BBC Radio 1 and BBC Radio Devon (suggesting among its younger listeners a quest for different music and among its older listeners for more local news).

The distinct difference in the Bay City Radio FM proposals is that we would promise a better news service with more bulletins; longer duration; and an evening news and current affairs programme. We would also introduce guest interviews and a great deal more community-based information in mainstream daytime programming. We believe it is perfectly possible to produce a modern, dynamic, professional radio station that is more in keeping with the predominantly rural and mature area without it sounding like it was designed for a young urban environment.

SECTION II : PROGRAMMING (AM)

IMPORTANT NOTES:

- 1) Applicants submitting proposals for different programme output on AM and FM wavebands should, within a single application document, complete this section of the application form twice: first detailing their programme proposals for a service on the AM waveband (Q.11.22), followed separately by proposals for a service on the FM waveband (Q.11.22, again).
 - 2) Responses to this section of the application will form the basis of the successful applicant's 'promise of performance,' to be incorporated in the licence issued for the new licence period.
- 11. PROPOSED PROGRAMME SERVICE**
- a) State waveband (AM or FM), and name of proposed programme service on that waveband.

Section II (B) AM PROPOSALS

a) As mentioned in Section II (A) Bay City Radio proposes to split its FM and AM frequencies. Details of our AM proposals follow:

We plan our AM service to be known as BAY CITY GOLD.

- b) Outline, briefly and in general terms, the approach and objectives of the proposed programme service, and the broad format and content to be provided: e.g. whether a 'full service,' or more specialised in appeal; whether predominantly music-led or speech-based; the extent to which output would be locally-originated or part of a wider, externally-sourced service.
- b) Bay City Gold will be Devon's first all oldies radio service and it will be aimed predominantly at the 35+ age group - its appeal calculated to range from 35 to the retired.*

In musical terms Bay City Gold will be a 'gold format' radio station playing music from roughly 1965 to 1979. During offpeak times there will be shows covering the music from 1955-1965.

In terms of 'localness' Bay City Gold will have a high commitment to local news and information.

Although Bay City Gold AM will share its news output with Bay City Radio FM, various 'networked' news bulletins will be of longer duration on the AM service with FM opting out slightly earlier. This will be particularly true at 7 a.m., 8 a.m., 1 p.m. and 5 p.m. On the other hand, the AM service will opt out from the evening news and current affairs programme, which will be carried on FM only.

We reject financial arguments as being a justification for not splitting output. A new radio service is particularly able to utilise the tremendous advances in digital storage and retrieval techniques used to such positive advantage by stations like Pirate FM and Star FM. By using digital systems like RCS or ASC, it will be possible to provide an alternative AM service with live presentation at least ten hours a day and effective automation for the rest of the time providing live-sounding presentation links and continued local output with pre-recorded local information and live news presentation at the times it is networked.

We will also increase the number of daytime news bulletins and their duration. At the moment, DevonAir's local daily news bulletins run from 7 a.m. to 6 p.m. Apart from 5 minute 'home-mix' bulletins at 7am, 8am, 1pm, 4pm & 5pm. - all the rest are just three minutes. Three minutes to take in everything world, national and local. We believe in a rural ILR situation where there are no other local commercial choices - and where the population is weighted towards older age groups - this is simply not enough.

12. **BALANCE BETWEEN MUSIC AND SPEECH**

Of all programming airtime (i.e. excluding any advertising or other commercial minutage, promotional trails and sponsor credits), what proportion will be devoted to speech (including presentation of music)? Enter, in the following table, the minimum and maximum percentages of programming airtime that speech output would form, in each of the periods specified.

	Speech as % of prog. airtime			
	'Peaktime' (06.00-19.00)		Non-'peaktime'	
	Min.%	Max.%	Min.%	Max.%
a) On a typical weekday (Monday-Friday)	20	40	5	25
b) On a typical Saturday	10	30	5	25
c) On a typical Sunday	10	30	5	25

13. MUSIC OUTPUT

a) Weekday peak-time music

If it is proposed to include music within the weekday peak-time (06.00-19.00) output, give details of the predominant type(s) of music by which it is expected that the service would be identified, using recognised definitions: e.g. current and recent 'top 40' chart hits; gold (former chart hits); dance; easy-listening; etc. For each type, provide four examples of individual tracks (naming recording artists) as representative illustrations. State the minimum and maximum proportion (as a percentage) of total music output to be represented by each type listed, during any consecutive period of three weekday peak-time hours devoted mainly to music output

Type of music	Illustrative tracks and artists	Music type as % of total music output
		Min.% Max.%
<i>GOLD</i>	<i>Penny Lane - Beatles</i>	<i>70 100</i>
	<i>I've Got You Under My Skin -</i>	
	<i>Four Seasons</i>	
	<i>Good Vibrations - Beach Boys</i>	
	<i>Baby Love - Supremes</i>	

(Include one additional page, if necessary)

- 10a - AM

b) Music output at other times

Provide details of any type(s) of music, other than those listed at a) above, which it is intended to broadcast either during non-peak-time hours on weekdays (i.e. before 06.00 or after 19.00), or at any time of day during weekends. For each type, provide four examples of tracks (naming recording artists) as representative illustrations. State, for each type listed, the anticipated amount to be broadcast, and when it would be scheduled.

Type of music	Illustrative tracks and artists	Total no. of hours per week	Day(s) of week, week and time(s) of day
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NOT APPLICABLE

(Include one additional page, if necessary)

14. SPEECH CONTENT

Describe, as fully as possible, the speech content (if any) of the service proposed, other than news output (see Q.15 below). Provide examples of speech material, and indicate whether this would be in the form of short features (less than 3 mins. duration), longer items or entire programmes. (All regular speech output, apart from general presentation and introduction of music items, should be included in the proposed programme schedule at Q.20).

Like its FM counterpart, Bay City Gold intends to restore the speech/music ratio which we believe research shows the Devon radio audience demands of a full service local commercial radio station.

Bay City Gold intends to return to these values because we believe they are based in sound commercial sense. An astonishing 73.12% of the entire adult population of the area falls into the 35+ category. We believe relatively low radio listening levels suggest that many people do not find the kind of radio station they like. By providing not one, but two local services (the second with a distinctively different and older music blend), we believe Bay City is enhancing listener choice.

As we have stated in our FM programme section, we believe the evidence is hard to refute that the audience requires a more local radio service: That means more local news ; more local information.

Bay City Gold will operate a community Action Desk in concert with its FM partner so that where appropriate community-based requests can get airtime. It will also operate a Whats On service so that local charities and other organizations can publicise their events and activities.

Bay City Gold will also have guest slots in weekday daytime programming so that local issues can be discussed in more depth, so that local shows, theatre productions and other events can be spotlighted, and so that local experts and personalities can be interviewed as part of mainstream programming. Many of these slots would not need to exceed three minutes in duration, although one guest might occupy up to 3 x 3 minute slots, interspersed by music, commercials and other items. Where it is prudent and cost-effective to do so, we will share guest interviews with the FM service. We believe this is an effective use of resources because our listeners will not keep tuning back and forth from AM to FM to get the programming mix they like.

15. NEWS OUTPUT

- a) National and international news
If it is proposed to provide national and international news output, state the periods of the broadcasting day (separately for weekdays and weekends) when this would be included, the scheduling and duration of this output, and the proposed source(s) and/or means of collecting such news.

Whatever are the daytime arrangements adopted by the FM service, these will act as a 'network' feed for the AM service as well. We will not incur unnecessary additional cost by having different news readers or adopting a different style of news presentation. However, in the automation periods we will consider whether the AM service's needs are better served by alternative news feeds (for example, Network News)

- b) Local and regional news
If it is proposed to provide local and/or regional news output, state the periods of the broadcasting day (separately for weekdays and weekends) when this would be included, the scheduling and duration of this output, and the proposed source(s) and/or means of collecting such news.

Bay City Gold intends to provide a significant increase in news output over the existing licence holder, Devon Air. Our 7am, 8am, 1pm and 5pm bulletins will be of longer duration than taken by our FM service. The news reader will provide an opt-out point for the FM service and will then continue reading fuller bulletins for AM. We believe our research shows this will be much appreciated by potential listeners - and will particularly cut down the current Devon Air audience requirement to tune to BBC Radio Devon.

Local bulletin times will match those provided on the FM service, irrespective of automation outside the 7am and 7pm 'live window'.

Our AM local bulletins will also take advantage of the 'Network' service ability to provide geographical splits. The AM transmitters are configured in such a way as to be able to broadly mirror the split achieved on FM.

16. BROADCASTING HOURS

During which hours of the day is it intended to broadcast a programme service? (Please state if broadcasting hours will differ on weekdays, Saturday and Sunday).

It is intended that Bay City Gold will operate 24 hours a day, seven days a week.

17. NON-LOCAL ORIGINATION

If it is proposed that part or all of the programme service will be provided other than by 'live' programming originating from a studio (or outside broadcast facility) within this licence area, provide details of this, indicating the nature and source of such material, and its scheduling and duration. Include each of the following, as appropriate:

- a) Programming that is part of a wider regional or networked service, originating from a studio outside this licence area. (Programming integrating material originating from a studio outside this licence area with locally-originated items by means of digital or other technology should be described under this heading, with a full explanation of the means of compilation and presentation of such programming).

It is not intended to use programming that is originated from outside Bay City Gold's own studios. Off peak programming (7pm to 7am) will be generated by the station's own automation system. (See Q 18). However, even during automation, localness will be maintained with pre-recorded What's Ons and other items.

- b) Other than national and international news, all syndicated programming (e.g. any concerts, chart shows, interviews, drama, etc.).

We have no plans to broadcast syndicated material on Bay City Gold

18. AUTOMATED LOCAL OUTPUT

If it is proposed to provide locally-compiled programming which involves no presentation at all, or pre-recorded rather than 'live' presentation (excluding commercials, sponsor credits, networked news and pre-recorded promotional items), please give details, indicating scheduling and duration.

As we highlighted in our FM proposals our extensive monitoring exercise on the existing licence holder, DevonAir, revealed no significant local output overnight. Our AM service will use more extensive automation than FM, but we believe given all the circumstances that this is the most cost-effective way of providing additional listener choice. We also believe that current generation automation can be used in such a way that it is difficult to detect that the presentation is not live. It certainly does not need to result in a diminution of local content. We would also suggest that apart from live listener dedications there is very little in DevonAir's current off-peak output that could not be automated. The station's own slogans extol the virtue of 'less DJ chat' and 'more music.' Given the amount of pre-recorded station slogans which now take the place of live, local items (our monitoring discovered between eight and ten pre-recorded slogans an hour between 8 p.m. and 2 a.m.) we believe it would be hard to attack the notion of automation (particularly if it included pre-recorded local items missing from the current licence-holder's programming). Our weekday automation would be from 7 p.m. to 7 a.m. and again from Midday to 2 p.m. At weekends regular automation would run from 6 p.m. to 8 a.m. The vast majority of listeners to the AM service would therefore hear live presentation.

19. OUTPUT IN LANGUAGE(S) OTHER THAN ENGLISH

If any programming in a language (or languages) other than English is proposed, state which language(s), give details of the expected amounts of such programming and its time of scheduling, and estimate the number of persons living in the area who are able to understand the language(s) to be used, and the percentage of the total population of the licence area which they represent.

Because of the make-up of the local population it is not necessary to utilise any language other than English.

20. PROGRAMME SCHEDULE

Using, if necessary, a maximum of two pages for each, provide an outline of the proposed programme schedule for: a) a typical weekday (indicating variations from day to day, as appropriate);

b) a typical Saturday;

c) a typical Sunday.

Summarise, for each programme sequence, the main type(s) of music and/or speech content, style of presentation, and the proportion of programming airtime (see Q.12 for definition) devoted to music and speech. Indicate duration and scheduling of any national/international and/or local/regional news output. These should be consistent with responses to other questions in this section of the application. (Note: The successful applicant will be permitted to vary the detail and timings of this outline schedule, provided that the general approach and balance of the service proposed in this application is maintained within the 'promise of performance' agreed).

a) Typical weekday

Weekday programme schedule - Bay City Gold AM

07.00 - 12.00 Devon Gold

Devon Gold will be a five hour show which is double headed between 7 am and 9am. The Gold presenter will double head with an early morning journalist who also doubles his duties with the FM service in an adjacent studio. As with the FM service, the team will be selected to combine good humour and professional presentation with intelligence and authority. The show will be a speech/music mix with an emphasis on local news, information and entertainment. At peak, weather in one form or another - of extreme importance in the South West - would be given at least every other link. Travel news (much more important in the South West than might be imagined) would happen at every 20 minutes at peak. After 9am the show will continue as solo presentation and will share important guest interviews with FM as necessary. Other subjects may be more appropriate to lengthier - and exclusive - airtime on the AM service.

Speech/Music mix: it would be anticipated that we would play between eight and ten records per hour in the breakfast sequence, more potentially after 9am. The music would be all Gold format.

News Content: There will be local, national and world news at 6am, 7am, 8am, 9am, 10am, 11am and Noon (the 6am, 9am, 10am, 11am and Noon bulletins 5 minutes duration, the 7 and 8am bulletins 10minutes duration - longer than the sister FM service in response to the requirements of a slightly older audience). In addition, there will be main headlines at 6.30, 7.30 and 8.30am and short 'teaser style' headlines at 7.15, 7.45, 8.15 and 8.45am.

12.00-14.00 Solid Gold Lunch

This would be an automated sequence providing a music based lunchtime alternative to the FM service. It would be intended to give the presentation a personality, but all the links would be pre-recorded and computer scheduled. Local items and news would continue.

Speech/Music Mix: Because of the emphasis on music and automation, speech items would be restricted to news bulletins, local what's ons, promotions, station and presenter identifications.

News Content: Full local news bulletins would be carried at Noon, 1pm and 2pm. Noon and 2pm would be five minute bulletins, 1pm would be a full 15 minute news and sport bulletin.

14.00-19.00 Gold Afternoon

Gold Afternoon will be a live solo presented show calculated to appeal to the older and predominantly female biased age group. (Of the 45-54 population there are 63,000 men to 69,000 women; of the 55+ population there are 131,000 men and 159,000 women).

Speech/Music Mix: Will vary between eight and ten records an hour when guest interviews are scheduled, up to ten or twelve records an hour when no interviews are scheduled. (This also depending on the advertising load).

News Content: There will be local, national and world news bulletins at 2pm, 3pm, 4pm, 5pm, 6pm and 7pm. The 2-4pm, bulletins will be approximately four minutes duration; the 5pm bulletin will be an extended 10 minute bulletin (longer than the FM station which will opt-out earlier). The 6pm and 7pm bulletins will be approximately five minutes long. The AM service will provide a music alternative to the hour-long news and current affairs programme on FM.

(20. continued) AM

Although it could be argued that the news and current affairs programme would be of greater appeal to an older audience, we believe our flagship news and current affairs programme should be on FM where there is a bigger potential audience - across all age groups. If an alternative service is provided, the alternative in this case should be on AM.

19.00-07.00 Golden Hours

Golden Hours will be our off-peak AM automation system. We will continue our 'gold format' music mix overnight and the presentation will appear to be live, although it will be programmed by very sophisticated automation like the RCS system installed at Star FM. As well as the music, commercials, promotions, station identifications and presenter links, it is our intention to include pre-recorded what's ons and action desk announcements.

Speech/Music Mix: Automation as indicated above.

News Content: IRN may be incorporated into the automation or we may use Network News on the AM Gold service.

b) A typical Saturday

Saturday Programme Schedule - Bay City Gold AM

08.00 - 13.00 Solid Gold Saturday

Solid Gold Saturday will be a live presentation which will provide extended information about weekend sporting, cultural and entertainment events in the region. Telephone and live interviews will take place with event organisers, giving listeners an opportunity to take advantage of the wealth of things happening in the county.

Speech/Music Mix: The emphasis will be on music with speech in blocks of less than three minutes.

News Content: Local, national and world news bulletins will be featured from 8am on the hour through until 1pm. These bulletins will generally be four minutes in duration. Additionally, there will be headlines at 8.30 and 9.30am

13.00 - 18.00 Bay City Special

Bay City Special will be a speech/music mix where the emphasis will be on local, national and world sport. Bay City will encourage coverage of the many sporting events in the area, from football to cricket, to hockey and rugby as well as the many water based sports and recreational pastimes in the area. Presentation will be by the news person who specialises in sports coverage. This show will be shared with the FM service, partly because of the wider geographic coverage of the AM signal and partly because of the appeal of some sporting events to the older audience. It is also a method of sensibly conserving live programme resources for the times when they can be best utilised to provide suitable alternative programming.

Speech/Music mix: The number of songs per hour will vary between six and nine, depending on the number of events being covered. The speech items will consist of a mixture of IRN sporting billboard, local pre-recorded sporting items and live local guests.

News Content: The last scheduled local news bulletin of the day will be broadcast at 1pm (duration four minutes) and thereafter the bulletins will originate from IRN with local sporting supplements as necessary. A high proportion of the speech items will be local sporting news.

18.00- 08.00 Golden Hours

Automation as weekdays

Speech/Music mix: Automation as indicated above.

News content : IRN may be incorporated into the automation or we may use Network News on the AM Gold service.

(20. continued) AM

b) A typical Sunday

Sunday Programme Schedule - Bay City Gold AM

08.00-13.00 Solid Gold Sunday

Solid Gold Sunday will be a live presented show. It will include pre-recorded religious items produced during the week by our news room and our rota of 'Thought for The Day' providers. Speech/Music Mix: The emphasis will be on music with speech in blocks of less than three minutes.

News Content: Local, national and world news bulletins will be featured from 8am on the hour through until 1pm. These bulletins will generally be four minutes in duration. Additionally, there will be headlines at 8.30 and 9.30am.

13.00-18.00 Cruisin Oldies

Cruisin' Oldies will feature the sort of vintage rock and roll that is making such a comeback in themed restaurants and bars throughout the UK. Music from the mid fifties to mid sixties - classic rock and roll that was made to be heard in mono on AM. We believe this programming will have a strong appeal across all age groups.

Speech/Music Mix: The emphasis will be on this specialist strand of music.

News content: The last scheduled local news bulletin of the day will be broadcast at 1pm (duration four minutes) and thereafter the bulletins will originate from IRN.

18.00 - 08.00 Golden Hours

Automation as weekdays.

Speech/Music mix: Automation as indicated above.

News Content: IRN may be incorporated into the automation or we may use Network News on the AM Gold service.

21. APPEAL OF PROGRAMME SERVICE

a) To what extent, and in what ways, is the proposed programme service designed to "cater for the tastes and interests of persons living in the area," either general or particular?

a) *Bay City's research strongly suggests that there is a large available older audience which is either currently unserved (resulting in relatively low overall radio listening levels) or which has to tune around to different services to get the programming mix it requires. Given DevonAir's major appeal in the 15-24 age group we feel it is important to point out that the largest potential audience group by far is the 55+ audience representing 39.56% of the adult population. Moreover, when the 35-54 group is added in, this represents 73.12% of the entire adult population.*

We believe it is entirely appropriate that, where the existing Exeter/Torbay ILR licence has FM and AM frequencies at its disposal, these are used to the most creative advantage to maximise its overall audience levels and to provide additional choice and diversity for the population as a whole. We further believe that this will lead to additional revenue opportunities and have taken advice from a number of sources who have the widest experience of split commercial services.

We have also demonstrated in our business plan that we can provide this split service by using the latest technology to help us keep overall staffing to the sort of levels which, on other radio stations, might be needed to provide just one service.

b) If the programme service is designed to appeal especially to particular sections or demographic groups (e.g. certain age-groups) within the population, state which.

b) *The Bay City Gold AM programme mix will be designed to primarily cater for the 35+ age range which accounts for almost three quarters of the entire adult population.*

Although 55+ 's are traditionally assumed to be less likely to experiment with new services we believe that the overall patronage of the Gold service will be boosted by 35-54s who will try the service.

Additionally, partly because of the topography, partly because of age profile, our research suggests that AM listening levels are higher than can be found in other parts of the UK

Every age/ sex group suggests FM listening is in the majority apart from 55+ females where FM use was put at 46%. However, the AM listenership across all age/sex groups from 35+ upwards appears to be significantly higher than in other parts of the UK- and certainly to provide a solid base for an alternative AM programme service.

c) To what extent, and in what ways, will the proposed service cater for tastes and interests different from those catered for by any other Independent Local Radio services provided within part or all of the licence area, apart from those for which the licence(s) are currently being re-advertised?

c) *The specific Bay City Gold AM proposals are entirely different to the service provided by the existing licence holder. DevonAir Radio does not currently offer a split programme service and if their re-application contains such a proposal then the timing may, at best, be viewed with some suspicion.*

Bay City's research showed that when listeners of existing radio stations were asked to rate various musical styles 'golden oldies' provided by far the highest appreciation ratings; higher than 'melodic hits, 'top 40', 'country', 'easy listening' and many others.

Existing Devon Air listeners in particular returned some of the highest appreciation scores of 'golden oldies' even though the current music policy plays less music from the sixties and returns its highest audience levels among 15 - 24's. Indeed, only 15% of current Devon Air listeners said they didn't like golden oldies or found them a 'turn off'. This figure was similar for listeners of other services: BBC Radio Devon (19%); BBC Radio 1 (19%); BBC Radio 2 (21%).

It is also important to remember that many of Devon's huge 55+ population were in their 20's and 30's in the sixties - listening to today's 'golden oldies' in their formative years. We conclude therefore that - particularly in this relatively sparse part of the radio dial - an AM gold service would be extremely novel and extremely popular. It would receive a great deal of publicity as part of the introduction of two new radio services and would enjoy a high patronage, helping to boost the overall listening levels of Bay City Radio in comparison to the 31% reach of Devon Air.

22. **RELATIONSHIP BETWEEN EXISTING ILR SERVICE(S) IN THE AREA AND APPLICANT'S PROPOSALS**
To what extent does the applicant propose to provide a programme service which is similar in format and approach to that provided by the existing holder of the licence now being re-advertised? In what way(s) would the applicant's proposed programme service differ from the service(s) provided by the existing licensee?

As mentioned elsewhere in this application, our contention that we could provide an AM Gold service to run parallel with our main FM output is based firmly in our extensive research. Of the music types we tested, a 'Gold format' station was the most popular choice with 64% of respondents either saying they 'might listen,' would 'quite likely' listen or would 'very likely' listen. By contrast, a 'Top 40' station received only 28% approval (just 6% saying 'quite likely' and just 8% saying 'very likely')

Bay City's proposal differs fundamentally from the service currently provided by the existing licensee because DevonAir does not provide an AM/FM split.

SECTION III : AUDIENCE AND SUPPORT

23. EVIDENCE OF DEMAND FOR PROPOSED SERVICE

What evidence is there of the extent of local demand for the service proposed by the applicant? Summarise the main findings of any market research undertaken, or analysis of existing audience research information, or other forms of evidence that the proposed service will cater for tastes and interests of people living in the area? (Note: One copy only may be submitted of any detailed audience research report or analysis, from which the summary below has been derived).

Bay City Radio relies on three forms of research to show attitudes to the existing service provided by DevonAir Radio and to show demand for our own proposed services. They are (1) 24 hour monitoring research of the existing DevonAir service described in Q.8. (2) JICRAR/RAJAR results since 1980 and (3) Our own specially commissioned quantitative and qualitative research from a 613 respondent survey. Some of the key findings of (2) and (3) can be summarised as follows:-

The decline of DevonAir over the years as it deserted its position as an all-round local radio station is graphically plotted via JICRAR and now RAJAR. The only major local radio variable since the station went on air was the arrival of BBC Radio Devon. But over the period of its licence, DevonAir's reach has tumbled from an initial 58% JICRAR to its 1992 Quarter 4 RAJAR figure of 31%. Full tables and analysis are included in our separate research appendix.

The in-house research unit at Pirate FM achieved 613 telephone interviews between May and June 1993. The survey was carried out using Songtrak software and provided a 300 respondent sample in each of the Exeter and Torbay areas (although there were no major differences in responses between the two area samples). As well as constructing the survey using quota samples to produce unweighted data, the software also permitted extremely sophisticated weighting to provide a sample which accurately replicated the 1991 Census.

Our survey appeared to mirror RAJAR's suggestion that overall radio listening was lower than in some other parts of the United Kingdom. Compared with RAJAR's 1992 Quarter 4 results which showed DevonAir with a 31% weekly reach, our own survey (prompted awareness) suggested 30.2% (unweighted) and 28.4% (weighted). If this result is mirrored in the Quarter 2 1993 RAJAR it would suggest that DevonAir's recent relaunch (which included a further cutting back on local news and speech) has not been a hit with its audience. Its 'more music' policy is criticised even by its own audience where only 22% say they have got the amount of music 'about right.' A surprising 27% say they're playing too much and an astonishing 42% say they're playing 'much too much.' However, this finding is supported by attitudes to news.

DevonAir lags behind Radio 1, Radio 4 (news based) and BBC1 breakfast television (news based) as the fourth most popular breakfast medium. And DevonAir's lack of news seems at odds with what its breakfast audience wants. For while most of its listeners listen to DevonAir because of its music, this is not the case at breakfast. Exactly half of its existing listeners want news at breakfast compared with 42% citing music.

Although DevonAir achieved a higher reach than BBC Radio Devon, the BBC station was perceived to be more local and carrying better news. Our own suspicions as to where DevonAir was aiming its main marketing thrust appear to be supported by the 'crossover analysis.' Of Radio 1's listeners, 43% of them also listen to DevonAir. Of DevonAir's listeners, 47% of them also listen to Radio 1. Not surprisingly, therefore, DevonAir loses out to Radio 1 as 'favourite station.' By contrast, 25% of DevonAir listeners also feel they have to listen to BBC Radio Devon, whereas only 17% of Radio Devon listeners also tune in to DevonAir.

Even among its fans, DevonAir's service appears to be lacking in surprising areas. For example, among DevonAir listeners, over a quarter thought its 'localness' was 'average to poor' and over a third thought that presenters' local knowledge was only 'average to poor.' Over 40% thought that presenters' humour was only 'average to poor.' Surprisingly, 26% of its current listeners only rated its local news quality as 'average to poor.' Similar 'average to poor' ratings were scored for weather, travel information and music choice.

Our survey was conducted, of course, on the basis of the current radio mix in the Exeter/Torbay area, with no suggestion that one day DevonAir might not exist. One of the survey's most damning findings, therefore, was that a clear majority of existing DevonAir listeners would be likely to try 'a more local radio station offering a mix of oldies and current day hits, with more local news and information.' In fact only 17% of DevonAir listeners said they were 'unlikely' or 'not very likely' to tune in. At the other end of the scale, 21% said they 'might' listen, 26% said they were 'quite likely' to listen and 36% said they were 'very likely' to listen. It is important to remember that these responses were given assuming DevonAir would remain in the mix. If DevonAir were to be replaced by a new station concentrating on the qualities highlighted by the research, we believe the reach would be significantly better than that achieved by the existing licence holder.

24. **SIZE AND COMPOSITION OF AUDIENCE**

What size of audience is expected, over the course of one week? Provide estimates of actual numbers of listeners, and/or 'weekly reach' as a percentage of the adult population of the licence area, together with the anticipated average weekly hours of listening. Will the service aim to appeal especially to particular groups within the population, either in terms of tastes and interests, or demographic characteristics (e.g. certain age-groups)? If so, state which, with any supporting evidence, and provide estimates of reach and average weekly listening hours among these groups.

Since 1980, DevonAir's audience has tumbled from an initial 58% to its current level of 31%. We believe that by responding more closely to what research says the available audience wants - and by also providing an alternative service on AM - the overall reach is likely to go up. We believe ultimately 38-40% is not an unreasonable achievement in this particular part of the United Kingdom, but for prudence, we have based our business plan on the combined FM and AM services yielding an initial average weekly reach of 35% plus 11.5 hours (on a slightly smaller TSA than currently claimed by DevonAir).

RAJAR (Quarter 4 1992) shows DevonAir's profile to be biased towards the lowest population group, the 15-24's. They reach almost 50% of this age group but the total number so reached represents only 31,000 adults against DevonAir's TSA of 451,000. In fact, the DevonAir reach graph is an inverse of the available population groups. Bay City Radio aims to have a far more solid appeal on FM in the 25-54 age range and the AM service will appeal to the 35+ audience (including the 55+'s).

25. **EXPECTED AUDIENCE, RELATIVE TO THAT FOR EXISTING SERVICE**

In what way(s) does the applicant expect to achieve an audience which is different in size and/or composition from that attracted by the existing ILR service, for which the licence is now being re-advertised? To what extent, and in what ways, does it believe that existing audience figures can be improved upon?

Bay City Radio's research shows that DevonAir's music does not adequately address either the needs of the main available audience - or even its existing listeners. It also shows that DevonAir's meagre service of local news and information (which represents less than 6% of total daytime output) does not meet the demands of the local population. We believe DevonAir's reach is seriously diminished because it takes on Radio 1 as its main competitor, rather than providing the sort of service that 62% of its own listeners said they were either 'quite likely' or 'very likely' to listen to. We believe that by providing a well-rounded FM service with much more local news and information and a more adult music mix - and then by providing a Gold music format alternative on AM (something that 60% of DevonAir's own listeners said they were either 'quite likely' or 'very likely' to try) - we would achieve a higher overall audience and would broaden listener choice.

26.

LOCAL SUPPORT FOR THE APPLICANT

Are there any organisations, prominent individuals, etc. who have lent particular support to this application? If so, list these, and briefly describe any practical involvement or assistance that has been provided in preparing the application, and/or would be available once the station is broadcasting. (Note: One copy only may be submitted of any significant letters in support of an application).

The founding group has been progressively expanded in order to secure links with a variety of local interests and to form the core of an Advisory Panel for the station, to which additional members will be recruited on air and from which working parties on particular subjects may be drawn. The assistance of this panel will also be sought for the management of the station's associated charitable trust on an independent basis.

Dame Mary Bridges DBE (Exmouth): Director, Home Care Trust; Chairman, Royal British Legion Woman's Section; etc.

Steve Cayley (Torquay): Teacher, Information Technology & Communications (Devon Education Advisory Service)

Malcolm Cooke (Brixham): Chairman, Brixham Trawler Agents Ltd.

Neil Devons (Ivybridge): Director, Millenium Planning & Events Management, Travel Trade Marketing

Paul Dingle (Exeter): Project Manager, South Devon Green Tourism Initiative

Simon Foxall (Kenton): Director of Music, Exeter School

The Revd. Anthony Geering (Crediton): Vicar of Crediton

Thomas Goodison (Yelverton): SW Independent Radio Developments CSV (Community Service Volunteers) Media

David Grose (Thurlestone): Owner/Director, Thurlestone Hotel

Trevor Horton JP (Exeter): Chairman, Exeter & District Centre, The National Trust; Chairman, Exeter Branch and Deputy Area Representative, Save the Children Fund

Jean Kingdon (Ottery St. Mary): Managing Director, property companies; Director, Hospiscare Shops

Peter Kingdon (Ottery St. Mary): Chairman, Heltor Group; Director (non-executive), Devon Family Health Service Authority; Farmer.

Gwen MacPherson (Plympton): Director (non-executive), Plymouth & Torbay Health Authority

Beryl McPhail (Torquay): Partner, I. & B.S. McPhail (Caterers); former Chairman, Torbay Conservative Association; Governor, Torquay Grammar School for Girls; etc.

John Peters MBE, CBE (Kingsbridge): Chairman, GLASS; Member, Dartmoor Park Committee; Director (non-executive), Plymouth & Torbay Health Authority; etc.

Professor Janet Ritterman (Newton Abbot): Director, Royal College of Music (from September, 1993; presently Principal, Dartington College of Arts)

Adrian Sanders (Paignton): prospective European Parliamentary Candidate, Liberal Democrats

Peter Shipman (Torquay): Senior Consultant (Insurance & Corporate Finance), Clifton Group, Torquay

His Grace the Duke of Somerset (Berry Pomeroy): local landowner

Marion Stewart (Torquay): Representative, educational publishers; Chairman, District Labour Party

Martin Warren (Newton Abbot): Head, Department of Land Use & Rural Management, Seale-Hayne (University of Plymouth)

David Young (Honiton): freelance broadcaster and programme-maker

27. LOCAL INVOLVEMENT BY THE APPLICANT

Describe any activities so far undertaken by the applicant to generate local interest and involvement in its proposals.

Bay City Radio issued a press release on 23rd. February 1993, announcing its intention to apply for the Exeter/Torbay licence, which was widely reported by the local and regional press in the transmission area.

A second press release on 23rd. March invited written comments on the existing local radio services, and how Bay City Radio might offer a better service.

On 19th. and 28th. April, meetings were held in Torquay and Exeter respectively with invited groups of business people and professional advisors, many of whom subsequently went to see Pirate FM in action at Redruth.

The Company then placed advertisements in the local press, inviting members of the public to meetings at the Grand Hotel, Torquay on 25th. May and the Rougemont Hotel, Exeter on 27th. May. Both meetings attracted genuine interest and achieved a lively and informative debate.

Potential investors were invited to a meeting in Kingsteignton on 29th. June and, on 21st. July, a plenary gathering was held of friends and supporters at the same location.

28. AUDIENCE RESPONSE

By what means would the station plan to keep in touch with the views of its listeners, and obtain local responses and reactions to its service?

- a) RAJAR - second and fourth quarter surveys.*
- b) In House Research - by telephone for tracking and perceptual studies, and by telephone and diary for music research.*
- c) Advisory Panel - extended by on-air recruitment (see Q.26), which will be regularly assigned the monitoring of particular aspects of programming and the treatment of local matters, and from which working parties will be formed to consider special issues affecting performance or planning.*
- d) Off Air - being responsive to unprompted feedback from listeners.*

SECTION IV : FINANCE

29. **SUMMARY OF BUSINESS PLAN**

Summarise the main assumptions underpinning the applicant's business plan - e.g. trends in audience share and advertising revenue (and the relationship between them), taking into account expected radio developments and competition from other media; radio marketing policies; radio ownership patterns, and the applicant company's own business development strategy; etc.

IMPORTANT NOTE: If application is being made for licences on both AM and FM wavebands, the business plan should be based on the assumption that both will be successful. However, the applicant should show, at Q43 of the application, the anticipated effects upon its business plan and financial forecasts if awarded only the AM or the FM licence, assuming that the existing licensee or another applicant were to be awarded the other licence.

The key to unlocking the potential of Exeter/Torbay is to appreciate that the five transmitters in the area are valuable assets and not a liability.

The incumbent's lack of local content in programming is reflected by its ineffectual approach to earning local revenue. The cost of operating five separate transmitters appears to be regarded as an onerous burden. The local ratecard purports to selling advertising on both Plymouth Sound and DevonAir, with a discount for purchasing either station individually. Further enquiry would enable an advertiser to negotiate a campaign on either the three Exeter/East Devon or the two Torbay/South West Devon transmitters, but this is the only split advertising tolerated. In a false economy, the ratecard itself is printed on inexpensive paper which rapidly acquires a dog-eared appearance; in our view, this is a totally misguided approach to maximising the radio share of the local advertising market.

The different transmitters are each a valuable asset and indeed each should be viewed as an individual profit centre in its own right. By comparison, the experience of Pirate FM, by marketing two transmitters individually for their respective areas, is that 85% of local advertisers use only one transmitter. The opportunity exists in the Exeter/Torbay area, with two distinct services and three distinctive core areas, to offer even more focused advertising choice. Of course, it would be easier for Bay City to achieve this operating from premises that are not biased towards any one centre. Specific commercials on individual transmitters will augment Bay City's local programming and would not prohibit the station's profitability because they could be sold for more than their pro-rata share of a total package.

In terms of local press Bay City Radio intends to develop its relationship with Community Media both in terms of cross promotion and by offering clients co-ordinated advertising campaigns. Regarding television, the move this year to market Channel 4 on a pan-regional basis has deprived that medium of offering local advertisers an apparently cheap route to TV advertising.

Bay City Radio has designated a substantial budget of £125,000 for launch promotion. It is difficult to overestimate the importance of a successful launch for the new services. The budget would be used imaginatively to stimulate interest and generate awareness of the new services throughout their transmission areas.

(Include one additional page, if necessary)

(Question 29 continued)

As a fundamental matter of principle, Bay City Radio intends to allocate resources towards servicing the station's product rather than inessential overheads. For example, the station will be sited in a low-cost industrial building, with easy access to all the area's arterial roads, rather than in the more expensive surroundings of Exeter or Torquay, which is not only costly but inefficient in terms of time lost in traffic. It is likely that, should the management feel that a shop-front approach is required in the respective centres, then this will be negotiated on a very low-cost basis with the possibility of a merchandise outlet.

In setting its capitalization, Bay City Radio has adopted a share capital sufficient to accommodate the pre-on-air costs with a comfortable positive balance on shareholders' funds. It intends to issue loan stock to produce initial working capital and to provide a cushion against difficult trading conditions should they occur in the station's early days. Unless quite exceptional circumstances occur, the Directors believe that the business plan provided, showing the capability of repaying the loan stock at the end of year three, is conservative.

In its financial dealings, as in all aspects of its business, Bay City Radio will aspire to the highest professional operating standards. Creditors will be paid on time, debtors will be dealt with politely but firmly, detailed monthly management accounts will be circulated to the Board within ten days of each month end and adherence to previous laid down monthly budgets will be enforced rigorously.

BAY CITY - BUSINESS PLAN

PROFIT & LOSS ACCOUNT

	SET-UP £'000	YEAR 1 £'000	YEAR 2 £'000	YEAR 3 £'000
Turnover	0	1,130	1,281	1,401
Staff Costs	(76)	(454)	(490)	(516)
Depreciation	(11)	(67)	(67)	(67)
Other Operating Charges	(203)	(586)	(627)	(657)
Operating Profit/(Loss)	(290)	23	97	161
Net Interest Receivable	4	(11)	(5)	4
Profit/(Loss) Before Tax	(286)	11	92	164
Taxation	0	0	0	(28)
Retained Profit/(Loss)	(286)	11	92	137
Retained Profit/(Loss) B/Fwd		(286)	(275)	(183)
Retained Profit/(Loss) C/Fwd	(286)	(275)	(183)	(47)

BALANCE SHEET

	SET-UP £'000	YEAR 1 £'000	YEAR 2 £'000	YEAR 3 £'000
Fixed Assets	324	257	190	123
Debtors	68	210	245	273
Cash & Bank	108	115	238	184
Creditors (due within 1 year)	(25)	(111)	(127)	(158)
Net Current Assets/(Liabilities)	151	214	356	300
Creditors (due over 1 year)	(386)	(371)	(354)	(94)
Net Assets	89	100	192	328
Share Capital	375	375	375	375
Retained Profit/(Loss)	(286)	(275)	(183)	(47)
Capital & Reserves	89	100	192	328

BAY CITY - BUSINESS PLAN

KEY ASSUMPTIONS

		YEAR 1 1995	YEAR 2 1996	YEAR 3 1997
Marketing T.S.A. Adult Population	'000	450	450	450
Reach	Weekly	35.0%	37.5%	39.0%
Adult Listeners	'000	157.5	168.8	175.5
Average Hours	per week	11.5	12.0	12.5
Local Revenue Projection - Gross	£ per listener	6.76	7.23	7.67
Nat Revenue Projection - Gross	£'000 (cpt)	0.75	0.75	0.75
Agency Commissions & Discounts	Local Rev	16%	16%	16%
National Sales Commission	Nat Rev	24%	24%	24%
Local Commission	Local Rev	6.0%	6.0%	6.0%
Sponsorship and co-funding	£'000	72.0	74.5	77.5
Commercial Production Revenue	% Local Rev	6.9%	6.9%	6.9%
Commercial Production Costs	% CP Revenue	85.0%	85.0%	85.0%
Launch Quarter	1st Qtr Jan-Mar	2		
Staff Employed		24	25	25
Freelance Presenters	Shifts pw	2.0	2.0	2.0
Freelance Rate	£ per shift	£40.0	£41.6	£43.5
Average Employers N.I.C.		10.4%	10.4%	10.4%
Area of Premises	'000 per sq ft	4.582	4.582	4.582
Premises Costs	£ per sq ft	3.84	3.84	3.84
Copyright Fees	% N.A.R	9.5%	10.0%	10.0%
M.C.P.S	£'000 pa	£3.5	£3.6	£3.8
Inflation		3.0%	3.5%	4.0%
Annual Pay Award		-	4.0%	4.5%
Bank Interest Receivable		5.0%	5.0%	6.0%
Bank Interest Payable		8.0%	8.5%	9.0%
Lease Interest Payable		10.0%	10.0%	11.0%
Lease Repay (Average)	Years	8	-	-
Lease Repay Period	Quarterly	4	-	-
Transmitter TBC (N/A)	Years	8	-	-
Debtor Days		60	60	60
Months Pre Launch		2	-	-
Depreciation Rate	S/L Years	5	5	5

BAY CITY - BUSINESS PLAN

STAFFING COSTS

	Salary Year 1 £	No. employed	Total Salaries Pre Op £	Total Salary Cost Year 1 £
Man Dir/Prog Contr	35,000.00	1	11,666.67	35,000.00
P A to M D	11,000.00	1	3,666.67	11,000.00
Sales Controller	20,000.00	1	6,666.67	20,000.00
Sales Secretary	0.00	1	0.00	0.00
Sales Executives	11,000.00	6	22,000.00	66,000.00
Presenters	18,000.00	6	9,000.00	108,000.00
Traffic Manager	10,000.00	1	833.33	10,000.00
Head of News	17,000.00	1	1,416.67	17,000.00
Journalist	13,500.00	4	4,500.00	54,000.00
Accountant	14,000.00	1	2,333.33	14,000.00
Engineer	0.00	0	0.00	0.00
Receptionist	8,500.00	1	2,833.33	8,500.00
		24	64,916.67	343,500.00
Sales Commission	63,882.00		0.00	63,882.00
N.I.C.			6,751.33	42,367.73
Freelance Presenters	4,160.00		346.67	4,160.00
		24	72,014.67	453,909.73

NB: A sales secretary will be required in year 2 at an annual salary of £9,000.

30.
a.

FINANCIAL FORECASTS AND ACCOUNTS

CASH FLOW FORECASTS

Provide cash flow forecasts, laid out according to the categories given below. Figures are required for the pre-operational period and for the first three years of broadcasting. For each of the first three years on air, provide figures for each quarter and for the year in total. Provide appropriate details of assumptions used in the preparation of the forecasts (e.g. length of pre-operational period, copyright rates, debtors' days, etc.). These forecasts may be provided either as part of the main application document, or on separate schedules as an appendix to it; whichever approach is preferred, twenty copies should be submitted.

INCOME

Capital
Gross advertising revenue
Less agency commission and discounts
Net advertising revenue
Sponsorship and co-funding
Other (specify)

TOTAL INCOME

EXPENDITURE

Capital expenditure
HP/leasing
General and administration:
Licence fees
Staff
Premises
Legal and professional
Establishment/overheads
Engineering:
Transmitter operating costs
Other (specify)
Programming:
Copyright fees
Music library
Acquired programming
News service
Other (specify)
Marketing/promotion
Audience research
Other costs (specify)
TOTAL EXPENDITURE
VAT adjustment
Interest payable
Interest receivable
Taxation
Dividends
Other outflows (specify)

NET INFLOWS/OUTFLOWS

Balance B/F

Balance C/F

Lowest cash position in quarter

(cont. overleaf)

BAY CITY – BUSINESS PLAN
CASHFLOW FORECAST

INCOME	YR1-OP	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	YR11	YR12	YR13	YR14	YR15
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
Share Capital	376.0															
Loan Stock	250.0															
Gross Advertising Revenue – Local		100.5	230.0	287.5	289.2	299.2	282.4	270.6	328.6	331.6	1,194.1	297.2	298.3	363.3	365.6	1,324.3
Gross Advertising Revenue – National		1.79	26.2	31.9	32.1	36.0	28.5	28.1	32.4	34.4	125.1	30.3	29.1	35.5	35.8	130.8
Agency Commission		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Advertising Revenue		102.3	256.2	319.4	321.3	335.2	310.9	298.7	361.0	366.0	1,319.2	327.5	328.4	401.1	401.4	1,555.1
Net Advertising Revenue – Discounts		0.0	10.1	21.83	20.93	20.75	24.22	24.87	30.03	30.43	1,038.9	272.6	273.9	332.4	334.4	1,212.5
Sponsorship & Co-Funding		4.8	16.0	19.4	19.6	59.6	17.2	16.5	20.1	20.2	74.1	17.8	17.2	20.0	21.1	77.0
Commercial Production Revenue		14.7	19.5	20.6	18.7	73.5	16.9	25.3	23.6	21.5	84.3	15.6	24.6	26.0	33.7	82.9
TOTAL INCOME		1258	2557	3059	3058	3926.1	2763	2878	3457	3466	12,527.1	3052	3147	3793	3792	13,924.1
EXPENDITURE																
Capital Expenditure		335.0									0.0					0.0
Finance Leases		(156.0)														
Operating Leases		5.4	8.1	8.1	8.1	32.4	8.1	3.7	9.8	3.9	14.9	4.2	4.3	4.4	4.5	17.4
General & Administration:																
Licence Fees		0.0	1.6	1.6	1.6	6.5	1.7	1.7	1.7	1.7	6.7	1.7	1.7	1.7	1.7	7.0
SBC		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IT		0.0	109.0	114.4	115.4	113.8	115.2	123.4	124.8	122.9	469.2	125.5	130.2	131.7	129.6	516.0
Premises		2.9	4.4	4.4	4.4	17.6	4.4	4.4	4.4	4.4	17.6	4.4	4.4	4.4	4.4	17.6
Legal & Professional		5.0	1.9	1.9	1.9	7.5	1.9	1.9	1.9	1.9	7.8	2.0	2.0	2.0	2.0	8.1
Overheads		7.5	13.8	15.0	15.0	58.8	15.4	15.5	15.5	15.5	62.0	15.0	16.1	16.1	16.1	64.4
Engineering/Studio		2.0	1.3	1.3	1.3	5.0	1.3	1.3	1.3	1.3	5.2	1.3	1.3	1.3	1.3	5.4
Programming:																
Copyright Fees		7.0	23.1	28.0	28.1	86.2	25.9	27.4	32.2	33.4	120.0	30.0	29.9	30.3	30.5	132.7
Music Library		0.5	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	2.0
Music Licensing		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Service		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Studio Consumables		1.0	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	2.1	0.5	0.5	0.5	0.5	2.2
Commercial Production		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Programming		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Marketing/Promotion		125.0	68	90	95	86	33.9	7.7	10.2	10.8	98	36.4	8.4	11.1	11.8	10.7
Audience Research & Application		45.0	7.5	7.5	7.5	30.0	7.8	7.8	7.8	7.8	31.1	8.1	8.1	8.1	8.1	32.3
Bad Debts Provision		5.7	7.5	7.5	7.5	29.3	6.4	6.4	6.4	6.4	26.2	7.1	7.1	7.1	7.1	28.4
Sundry		2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL EXPENDITURE		453.4	263.4	271.2	260.7	1,033.7	260.5	273.2	292.0	288.6	1,128.0	281.5	297.5	307.8	302.1	1,168.6
Interest Paid on Finance Leases		(3.9)	(3.6)	(3.7)	(3.7)	(15.1)	(3.9)	(3.9)	(3.4)	(3.3)	(13.7)	(3.2)	(3.1)	(3.0)	(2.9)	(12.1)
Interest Received on Bank Accounts		2.6	3.3	3.3	3.3	13.1	3.3	3.3	3.3	3.3	13.1	3.3	3.3	3.3	3.3	13.1
Net (Wor.) – VAT (Incr/Decr)		(66.6)	(62.1)	(61.9)	(62.0)	(271.6)	(66.6)	(66.6)	(66.6)	(66.6)	(271.6)	(66.6)	(66.6)	(66.6)	(66.6)	(271.6)
Travellers – VAT (Return)						(5.5)	(25.1)	(20.2)	(11.8)	(11.5)	(34.4)	(30.0)	(33.3)	(36.0)	(38.9)	(128.1)
Corporation Tax						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loan Repayments						7.4	6.3	5.5	5.4	5.7	22.9	23.9	20.1	22.8	(23.0)	(33.6)
NET INFLWS/OUTFLWS		107.6	(49.8)	(10.5)	32.1	35.6	7.4	6.3	5.5	5.4	37.7	22.9	20.1	22.8	(23.0)	(33.6)
Balance B/Fwd		107.6	107.6	57.8	47.3	79.4	107.6	115.0	121.3	120.7	180.2	115.0	203.8	284.0	356.7	237.9
Balance C/fwd				57.8	47.3	79.4	115.0	121.3	120.7	180.2	237.9	203.8	284.0	356.7	184.3	184.3

b.

PROFIT AND LOSS ACCOUNTS

Provide summarised forecasts of profit and loss accounts, using the headings below, for the pre-operational period and for the first three years of broadcasting.

Advertising revenue
Income from other sources
Staff costs
Depreciation
Other operating charge
Operating profit/(loss)
Net interest receivable/(charged)
Profit/(loss) on ordinary activities before tax
Taxation
Retained profit/(loss)
Retained profit/(loss) brought forward
Retained profit/(loss) carried forward

Other headings may be inserted where applicable.

BAY CITY – BUSINESS PLAN

PROFIT & LOSS

	PRE-OP		Qr-1		Qr-2		Qr-3		YEAR 1		YEAR 2		YEAR 3		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Gross Advertising Revenue - Local		212.0	285.1	298.1	271.5	1,064.7	241.1	323.5	314.6	311.3	1,250.6	269.1	356.6	376.8	1,345.6
Gross Advertising Revenue - National		23.6	31.3	33.1	30.1	118.1	24.3	24.3	24.3	24.3	87.0	24.3	24.3	24.3	87.0
Net Agency Commission & Discount		(39.5)	(55.9)	(55.9)	(55.5)	(198.1)	(45.0)	(59.6)	(53.0)	(57.4)	(225.0)	(46.2)	(65.3)	(65.3)	(211.6)
Net Advertising Revenue	0.0	196.9	252.9	275.7	250.1	984.7	224.4	297.4	314.2	288.1	1,122.1	247.2	326.2	344.7	1,331.0
Sponsorship & Co-Landing		14.4	19.1	20.2	18.4	72.0	14.9	19.7	20.9	19.0	74.5	15.5	20.5	21.7	19.8
Production Revenue		22.0	29.5	31.5	28.2	110.2	25.2	33.4	33.7	33.6	126.9	19.6	24.6	26.0	23.7
TURNOVER	0.0	225.0	292.5	315.5	288.2	1,130.2	252.2	332.4	337.9	333.6	1,259.0	267.3	371.4	372.4	1,401.4
Salaries	64.9	65.9	65.9	65.9	65.9	343.5	91.6	91.6	91.6	366.2	93.7	95.7	95.7	95.7	382.7
Medical Commissions		12.8	15.9	17.9	16.3	63.9	14.0	19.4	20.5	18.7	79.2	16.1	24.4	22.6	20.6
Normal Insurance		6.8	7.8	8.8	8.8	44.2	11.1	11.1	11.1	44.2	11.1	11.1	11.1	11.1	44.2
Freelancers		4.2	1.0	1.0	1.0	4.2	1.1	1.1	1.1	4.3	1.1	1.1	1.1	1.1	4.3
STAFF COSTS	75.6	119.3	114.4	115.4	113.6	452.9	119.3	123.6	124.6	482.5	124.6	130.4	131.7	129.5	516.2
DEPRECIATION	11.2	16.8	16.8	16.8	16.8	67.0	16.8	16.8	16.8	67.0	16.8	16.8	16.8	16.8	67.0
Operating Leases	5.4	8.1	8.1	8.1	32.4	8.1	8.1	8.1	8.1	32.4	8.1	8.1	8.1	8.1	32.4
TBC	0.0	47.5	47.5	47.5	190.0	47.5	47.5	47.5	47.5	190.0	47.5	47.5	47.5	47.5	190.0
Telephone Fees	0.0	1.7	1.7	1.7	6.8	1.7	1.7	1.7	1.7	6.8	1.7	1.7	1.7	1.7	6.8
Premises	2.9	4.4	4.4	4.4	17.6	4.4	4.4	4.4	4.4	17.6	4.4	4.4	4.4	4.4	17.6
Legal & Professional	5.0	1.9	1.9	1.9	7.5	1.9	1.9	1.9	1.9	7.8	2.0	2.0	2.0	2.0	8.1
Overheads	10.0	15.0	15.0	15.0	60.0	15.5	15.5	15.5	15.5	62.1	16.1	16.1	16.1	16.1	64.6
Lines & Engineering	2.0	1.3	1.3	1.3	5.0	1.3	1.3	1.3	1.3	5.0	1.3	1.3	1.3	1.3	5.4
Copyright Fees	21.0	27.5	29.0	26.5	103.9	24.8	32.8	34.4	31.4	123.3	27.1	35.6	37.8	34.3	134.6
Music Library	5.0	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	2.0
Acquired Programming	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Production Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Staff Commissions	1.0	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	2.0
Commercial Production Costs	1.0	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	2.0
Other Programming	12.5	16.6	17.5	15.9	62.5	14.3	19.0	20.1	18.3	71.6	15.8	20.9	22.1	20.5	78.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Marketing Promotion	125.0	6.8	6.8	6.8	33.9	7.7	19.2	10.6	9.6	38.4	8.4	11.1	11.6	10.7	42.0
Audience Research/Application	46.0	7.5	7.5	7.5	30.0	7.8	9.6	7.7	7.7	31.1	8.4	11.1	11.6	10.7	42.0
Bad Debts Provision	0.0	5.7	7.5	7.9	7.2	28.3	6.4	8.5	9.0	8.2	32.0	7.0	9.3	9.8	35.0
Sundry	2.0	1.3	1.3	1.3	5.0	1.3	1.3	1.3	1.3	5.2	1.3	1.3	1.3	1.3	5.4
OTHER OPERATING CHARGES	203.3	135.4	150.0	153.4	147.7	586.5	143.9	160.8	164.7	558.2	627.4	150.0	169.7	173.0	657.5
OPERATING PROFIT/(LOSS)	(290.3)	(94.4)	18.3	30.9	9.9	22.8	(22.7)	38.3	52.4	28.9	30.0	(11.1)	55.6	70.9	45.3
Interest Receivable	3.9	0.7	0.6	1.0	1.4	3.7	1.5	1.6	2.3	3.0	6.3	3.3	3.5	4.5	15.8
Interest Payable	(3.9)	(3.9)	(3.9)	(3.7)	(15.1)	(3.9)	(5.5)	(3.3)	(3.3)	(13.7)	(3.9)	(3.9)	(3.9)	(3.9)	(12.1)
Income Tax	(286.4)	(3.5)	15.1	28.2	0.0	0.0	(24.7)	38.4	51.3	0.0	0.0	(11.0)	58.0	72.4	(27.7)
Income Tax (LOSS) BEFORE TAX	(286.4)	(3.5)	15.1	28.2	0.0	0.0	(24.7)	38.4	51.3	0.0	0.0	(11.0)	58.0	72.4	(27.7)
Dividends															
RETAINED PROFIT/(LOSS)	(286.4)	(3.5)	15.1	28.2	7.7	11.5	(24.7)	38.4	51.3	28.6	91.6	(11.0)	56.0	72.4	19.2
Retained Profit/(Loss) B/Fwd	(266.4)	(266.4)	(325.9)	(310.6)	(326.6)	(296.4)	(274.9)	(259.6)	(253.3)	(211.6)	(183.3)	(183.3)	(194.3)	(184.3)	(168.9)
Retained Profit/(Loss) C/Fwd	(266.4)	(325.9)	(310.6)	(326.6)	(296.4)	(274.9)	(259.6)	(253.3)	(211.6)	(183.3)	(183.3)	(194.3)	(184.3)	(168.9)	(166.6)

c. **BALANCE SHEETS**

Provide summarised forecasts of balance sheets, using the headings below, as at the on-air date, and for the first three years of broadcasting.

Fixed assets:

Tangible assets

Current assets:

Debtors

Cash at bank and in hand

Creditors: amounts falling due within one year

Net current assets/(liabilities)

Creditors: amounts falling due after one year
(showing long-term debt separately)

Total assets less total liabilities

Represented by:

Called up share capital

Profit and loss account

Other reserves

Other headings may be inserted where applicable.

Applicant should also show details of any off-balance sheet financing arrangements and any contingent assets or liabilities.

BAY CITY – BUSINESS PLAN
BALANCE SHEET

	PRE-OP £'000	CH-1 £'000	CH-2 £'000	CH-3 £'000	CH-4 £'000	CH-1 £'000	CH-2 £'000	CH-3 £'000	CH-4 £'000	CH-1 £'000	CH-2 £'000	CH-3 £'000	CH-4 £'000
Fixed Assets – Cost	335.0	335.0	335.0	335.0	335.0	335.0	335.0	335.0	335.0	335.0	335.0	335.0	335.0
- Depreciation	(11.2)	(27.9)	(64.7)	(61.4)	(78.2)	(94.9)	(111.7)	(128.4)	(145.2)	(161.9)	(178.7)	(195.4)	(212.2)
FIXED ASSETS – NBV	323.8	307.1	270.3	273.6	256.8	240.1	223.3	206.6	189.8	173.1	156.3	139.6	122.8
Trade Debtors	1.3	154.9	218.8	233.5	209.0	181.0	253.4	270.1	242.3	201.8	281.0	299.3	268.9
Interest Receivable	66.6	0.7	0.6	1.0	1.4	1.5	1.6	2.3	3.0	3.3	3.5	4.5	4.4
VAT Recoverable	67.9	155.6	219.4	234.5	210.4	182.5	255.0	272.4	245.3	205.2	284.6	302.8	273.3
DEBTORS													
CASH & BANK	107.6	57.8	47.3	79.4	115.0	121.3	120.7	180.2	237.9	263.8	284.0	335.7	184.3
Agency/Commission		(26.4)	(85.0)	(37.0)	(32.7)	(30.0)	(39.8)	(42.0)	(38.3)	(32.8)	(43.5)	(46.0)	(41.9)
Agency Fees		(14.4)	(11.1)	(11.1)	(11.1)	(15.1)	(11.1)	(11.1)	(10.9)	(18.1)	(23.7)	(25.1)	(24.9)
Operating Costs & Overheads	(2.5)	(8.4)	(9.9)	(10.2)	(19.6)	(9.5)	(10.8)	(11.2)	(10.9)	(12.1)	(12.6)	(12.6)	(12.6)
Finance Leases (within 1 year)	(19.9)	(20.3)	(20.8)	(21.2)	(21.6)	(22.1)	(22.6)	(23.0)	(23.5)	(24.1)	(24.6)	(25.2)	(25.8)
Corporation Tax Payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
M/C Payable	(2.3)	(3.5)	(3.5)	(3.5)	(3.5)	(3.7)	(3.8)	(3.9)	(3.9)	(3.9)	(4.1)	(4.1)	(4.0)
NET CURRENT ASSETS/(LIABILITIES)	(24.7)	(89.9)	(114.3)	(123.9)	(171.2)	(121.6)	(139.5)	(137.9)	(127.1)	(111.9)	(143.5)	(151.3)	(157.9)
NET CURRENT ASSETS/(LIABILITIES)	150.9	124.4	152.5	193.6	214.2	202.2	251.2	313.0	356.1	357.1	425.0	509.2	299.9
Loan Stock	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	0.0
Finance Leases (over 1 yr)	(136.1)	(132.4)	(128.7)	(124.8)	(120.9)	(116.9)	(112.7)	(108.5)	(104.2)	(99.4)	(94.6)	(89.8)	(84.3)
CREDITORS (due over 1 year)	(386.1)	(382.4)	(378.7)	(374.8)	(370.9)	(366.9)	(362.7)	(358.5)	(354.2)	(349.4)	(344.6)	(339.6)	(334.3)
NET ASSETS	89.6	49.1	64.2	92.4	100.1	75.4	111.8	163.1	191.7	160.7	236.8	309.2	328.4
Share Capital	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0
Retained Profit/(Loss)	(286.4)	(325.9)	(310.8)	(282.6)	(274.9)	(299.6)	(263.2)	(211.9)	(183.3)	(194.3)	(138.2)	(65.8)	(46.6)
CAPITAL & RESERVES	88.6	49.1	64.2	92.4	100.1	75.4	111.8	163.1	191.7	160.7	236.8	309.2	328.4

31. **FINANCIAL REQUIREMENTS AND SOURCES**

Provide details of total funding requirements and how these will be met under the following headings:

Summary overleaf.

	£	
(i)	Capital expenditure (including capital value of leases)	_____
(ii)	Other pre-operational expenditure	_____
(iii)	Working capital (at on-air date)	_____
		TOTAL: _____

Detail the sources of finance to meet these requirements:

(i)	Share capital	_____
(ii)	Loan stock/medium term borrowing	_____
(iii)	Leasing/HP facilities (capital value)	_____
(iv)	Bank overdraft	_____
(v)	Grants and donations	_____
(vi)	Other (please specify)	_____
		TOTAL: _____

32. **FIXED ASSETS**

Provide a summary of tangible assets, as at the on-air date, categorised under the headings of fixtures and fittings, studio equipment, transmitter equipment, vehicles and other assets. Show the level of assets financed by leasing (or similar) arrangements within each category, and indicate any assets brought in at nil cost.

Summary overleaf

(For this and subsequent questions on finance, include additional page(s) if necessary).

BAY CITY - BUSINESS PLAN

FINANCIAL REQUIREMENTS AND SOURCES

	£'000
Capital expenditure (including capital value of leases)	2,017
Other pre-operational expenditure	275
Working capital (at on-air date)	171
	2,463
Share capital	375
Loan stock	250
Leasing (capital value)	156
Bank overdraft	0
Grants and Donations	0
Other - Operating Hire commitments	1,682
	2,463

FIXED ASSETS SUMMARY

	Owned £'000	Leased £'000	TBC £'000	Contract Hire £'000	Total £'000
Building Conversion, Fixtures and fittings	110				110
Studio Equipment		195			195
Transmitter Equipment			1,520		1,520
Vehicles				162	162
Other Assets	30				30
	140	195	1,520	162	2,017
Finance Leases 80% Value		156			156
Operating Hire Leases			1,520	162	1,682
	0	156	1,520	162	1,838

Other assets includes workstations and software for traffic and office equipment

NOTE TO APPLICANTS: Among the following questions, complete only those which are appropriate to the applicant's chosen method(s) of funding; if not applicable, mark 'N/A'.

33. **SHARE CAPITAL**

Classes of share capital:

	Number	Par value	Issue price (if different)
Voting:	Ordinary	£1	
None voting:			
Preference:			
Other (specify):			

34. **LOAN STOCK**

If loan stock is to be issued, state the amount, coupon and redemption/conversion terms.

Loan stock would be issued to consortium members on the basis of £2 loan stock for every £3 shares subscribed for. The loan stock will be non interest bearing for the first years within which time it is envisaged that it will be redeemed. After 1st. January, 1998 interest will be paid at a rate of 2% above base on any outstanding accounts.

35. **PROPOSED INVESTORS**

Set out details of all voting shareholders (excluding any nominal membership shares), and holders of non-voting shares and loan stock, distinguishing clearly between these categories, and also showing beneficial owner(s) if not the same. (Further pages may be added, or the layout altered, if necessary).

Name of investor	Address	Investment £	% of total required
<i>Cornwall Independent Radio Ltd.</i>	<i>Cornwall</i>	<i>£162,500</i>	<i>26.0</i>
<i>Enterprise Radio Ltd.</i>	<i>Norfolk</i>	<i>£125,000</i>	<i>20.0</i>
<i>Mr. J. St. Aubyn</i>	<i>Kingsbridge, Devon</i>	<i>£62,500</i>	<i>10.0</i>
<i>3i plc</i>	<i>Bristol</i>	<i>£25,000</i>	<i>4.0</i>
<i>Mr. G. Adams</i>	<i>Cornwall</i>	<i>£22,500</i>	<i>3.6</i>
<i>Mr. P. Gillespie</i>	<i>Moretonhampstead Devon</i>	<i>£17,500</i>	<i>2.8</i>
<i>Major R. Clutterbuck</i>	<i>Cheshire</i>	<i>£10,000</i>	<i>1.6</i>
<i>Mr. R. Elliot</i>	<i>Essex</i>	<i>£10,000</i>	<i>1.6</i>
<i>Mrs. M. McKee</i>	<i>Berkshire</i>	<i>£10,000</i>	<i>1.6</i>
<i>Mr. M. Pearson</i>	<i>Kingston, Devon</i>	<i>£10,000</i>	<i>1.6</i>
<i>Mr. J. Robertson</i>	<i>Sussex</i>	<i>£10,000</i>	<i>1.6</i>
<i>Mr. J. Cole</i>	<i>Torquay, Devon</i>	<i>£7,500</i>	<i>1.2</i>
<i>Mr. D. Fitzgerald</i>	<i>Ivybridge, Devon</i>	<i>£7,500</i>	<i>1.2</i>
<i>Lt Cdr D. Hale</i>	<i>Cornwall</i>	<i>£7,500</i>	<i>1.2</i>
<i>Mr. D. Hartree</i>	<i>Hampshire</i>	<i>£7,500</i>	<i>1.2</i>
<i>Mr. P. Higginson</i>	<i>London</i>	<i>£7,500</i>	<i>1.2</i>
<i>Mr. & Mrs. G. Keene</i>	<i>Manaton, Devon</i>	<i>£7,500</i>	<i>1.2</i>
<i>Mr. & Mrs. P. Kingdon</i>	<i>Ottery St. Mary, Devon</i>	<i>£7,500</i>	<i>1.2</i>
<i>Mrs. B. McPhail</i>	<i>Torquay, Devon</i>	<i>£7,500</i>	<i>1.2</i>
<i>Miss J. Michelmore</i>	<i>South Brent, Devon</i>	<i>£7,500</i>	<i>1.2</i>
<i>Mr. M. Rewcastle</i>	<i>Budleigh Salterton, Devon</i>	<i>£7,500</i>	<i>1.2</i>
<i>Mr. W. Rogers</i>	<i>Cornwall</i>	<i>£7,500</i>	<i>1.2</i>
<i>Mr. A. Roxburgh</i>	<i>Brixham, Devon</i>	<i>£7,500</i>	<i>1.2</i>
<i>Mr. R. Smith</i>	<i>Exeter, Devon</i>	<i>£7,500</i>	<i>1.2</i>
<i>Mr. J. Watts</i>	<i>Jersey</i>	<i>£7,500</i>	<i>1.2</i>
<i>Mrs. M. Beard</i>	<i>Surrey</i>	<i>£5,000</i>	<i>0.8</i>
<i>Mr. J. Best</i>	<i>London</i>	<i>£5,000</i>	<i>0.8</i>
<i>Professor M. Butler</i>	<i>Oxford</i>	<i>£5,000</i>	<i>0.8</i>
<i>The Earl of Eglinton & Winton</i>	<i>Hampshire</i>	<i>£5,000</i>	<i>0.8</i>
<i>Mr. R. Evans</i>	<i>Surrey</i>	<i>£5,000</i>	<i>0.8</i>
<i>Mr. & Mrs. McIrvine</i>	<i>Warwickshire</i>	<i>£5,000</i>	<i>0.8</i>
<i>Mrs. Morrison</i>	<i>Sussex</i>	<i>£5,000</i>	<i>0.8</i>
<i>Lady Rennie</i>	<i>London</i>	<i>£5,000</i>	<i>0.8</i>
<i>Mr. I. Ricketts</i>	<i>Surrey</i>	<i>£5,000</i>	<i>0.8</i>
<i>Mrs. P. Shaw</i>	<i>Hertfordshire</i>	<i>£5,000</i>	<i>0.8</i>
<i>Captain J. Weir</i>	<i>Chagford, Devon</i>	<i>£5,000</i>	<i>0.8</i>
		<i>£625,000</i>	<i>100.00</i>

NOTE TO APPLICANTS: The Authority will wish to be reassured that reasonable evidence can be provided of bona fide investors, before granting a licence. Written confirmation of agreement in principle should be submitted from all proposed investors (as listed above) of more than 3% of the applicant's total financing, covering in particular the amount to be invested, the percentage shareholding, and any preconditions to making this investment.

IF THIS APPLICATION IS SUCCESSFUL, THE AUTHORITY WILL THEN REQUIRE CONFIRMATION THAT THE NECESSARY FUNDING IS UNCONDITIONALLY IN PLACE, WITHIN 28 DAYS OF THE OFFER OF LICENCE BEING MADE.

36. **METHOD(S) OF RAISING CAPITAL**

Describe briefly the method(s) by which share/loan capital is to be raised (e.g. whether a prospectus will be issued, and the timescale involved). Give details of any proposal to have share capital publicly quoted.

The share/loan capital will be raised by subscription.

37. **OTHER LOANS**

If appropriate, give details of lender, interest rate and repayment terms.

Not applicable

38. **BANK FACILITIES**

Provide details of bank facilities or other credit arrangements which exist or are planned, including evidence of confirmation from the lender(s), of:

- i) Terms of borrowing (repayments, covenants, etc.)
- ii) Securities given and/or charges against the company;
- iii) Lenders and any guarantees provided.

Not applicable.

39. GRANTS AND DONATIONS, ETC.

If it is planned to use alternative or additional sources of funding for capital expenditure (i.e. other than share capital or loan stock), list these below. Mention any preconditions regarding the purpose or use to which these may be put. (Note: Applicants' attention is drawn to guidelines on funding by public bodies).

<u>Source of funds</u> (give name and address)	<u>Type of funding</u> agency (e.g. charitable trust)	<u>Amount</u> £	<u>% of</u> <u>total</u> <u>required</u>
--	---	--------------------	--

Not applicable

Note: The Company intends to review its plans regarding studio location in the light of the recent award of Assisted Area Status to Torbay, but it will only change those plans if suitable alternative premises can be found and sufficiently attractive grant aid secured.

NOTE TO APPLICANTS: Written confirmation of agreement in principle should wherever possible be submitted from proposed sources (as listed above) of more than 3% of the applicant's total financing.

40. OTHER INTERESTS

Details are required of the involvement by the applicant and its participants (including shareholders or other subscribers of more than 5% of the applicant's total funding requirements) in any of the activities listed below, and the extent of the interest. For these purposes, the applicant includes associates of the applicant (i.e. directors and their associates and other group companies).

- a) Advertising agencies;
- b) Non-EC interests;
- c) Newspapers (including holdings in a group having substantial control over one or more newspapers);
- d) Other broadcasting interests (including radio, television, satellite and cable broadcasting, and allied activities);
- e) Bodies whose objects are wholly or mainly of a religious nature;
- f) Bodies whose objects are wholly or mainly of a political nature;
- g) Local authorities;
- h) Other publicly-funded bodies.

(a) *N/A*

(b) *Gareth Keene is a director of Gamidor Ltd. (Israel), Medequip Ltd. (Israel) and Mind & Body Institute Ltd. (Israel).*

(c) *Enterprise Radio Ltd. is a subsidiary of Eastern Counties Newspaper Group Ltd. Norwich.*

(d) *Gareth Keene is a shareholder in Central Livestock Auction Satellite Sales Ltd. and a trustee of the TSW Film & Television Archive for the South West. The parent company of Enterprise Radio, Eastern Counties Newspaper Group Ltd. is a shareholder in East Anglian Radio plc.*

James St. Aubyn is a shareholder in Cornwall Independent Radio Ltd (18.5%). His associate company Electrical & TV Services (Helston) Ltd. owns a further 10% of Cornwall Independent Radio Ltd. James St. Aubyn is a shareholder in UK Radio Holdings Ltd. (11%).

(e) *N/A*

(f) *N/A*

(g) *N/A*

(h) *Gareth Keene is on the Boards of the Beaford Arts Centre, Dartington College of Arts Ltd, and the European Community Chamber Orchestra Trust Ltd.*

41. **ADVERTISING REVENUE**

Provide forecasts of net advertising revenue (showing gross revenue, less agency commission and discounts) for each of the first three years of the licence period, including the anticipated split between local and national revenue. Detail the arrangements proposed for the sale of advertising airtime, and how annual revenue from advertising has been calculated. In particular, detail the population coverage assumed, audience reach and average weekly listening hours for each year, percentage of airtime sold, ratecards tariffs, etc. If advice has been obtained from sales agencies, consultants, etc., please state source(s). A draft advertising ratecard should be included.

As reflected in the company's proposed staffing structure Bay City Radio believes in committing its resources not only to the programming needs of the community it serves but also ensuring there is adequate coverage of its service area by the sales operation.

This policy will require more resources than may usually be the case in a licence area of this size, since we believe it imperative that not only are the three core areas represented but that maximum benefit is derived from the potential sales possibilities presented by five separate transmitters. These allow for both distinctive programming opportunities and also increased revenue through selling configurations that can be specifically tailored for all categories and sizes of business.

Bay City Radio has sought the advice of an experienced industry sales director who has particular knowledge of this size of operation and in this region of the country.

It is generally accepted that the more rural stations have suffered with regard to national revenue over the past few years due to economic factors and an awareness problem within the industry that has seen national clients and agencies tending to focus on the major cities. For this reason we have maintained national revenue forecasts to a cautiously prudent level, just slightly under £10,000 per month, increasing by 10% over the next two years once detailed listening figures are available. Any increase in average national revenue through factors such as economic, political or buyer awareness will provide a welcome source of incremental profit, being approximately 66% of additional gross revenue to the bottom line.

Local revenue has been calculated by estimating the adult coverage area of each transmitter as follows:-

FM 97.0 (Exeter)	170,000	AM 666KHz	250,000
96.4 (Torbay)	130,000	954KHz	190,000
103.0 (East Devon)	80,000		

The above coverage estimates once applied to the sample ratecard overleaf, for 4 week and 8 week Total Audience Packages, provide gross revenue figures for both FM and AM services as detailed in the table below. Deductions will be made from the gross advertising revenue for volume discounts (10% - applicable to all clients) and agency discount (15% - It is assumed that 40% of all bookings will be through agencies).

LOCAL REVENUE PROJECTIONS

	YEAR 1	YEAR2	YEAR3
	£	£	£
Gross revenue - FM	772,500	886,000	976,800
- AM	291,700	334,600	368,800
	1,064,200	1,220,600	1,345,600
Net revenue - FM	648,800	744,200	820,400
AM	245,100	281,100	309,900
	893,900	1,025,300	1,130,300

(Include one additional page, if necessary)

LOCAL RATE CARD

Total Audience Package

	<i>4 week</i>	<i>8 week</i>
	<i>£</i>	<i>£</i>
<i>FM - 97.0 (Exeter)</i>	<i>252</i>	<i>231</i>
<i>96.4 (Torbay)</i>	<i>210</i>	<i>189</i>
<i>103.0 (East Devon)</i>	<i>168</i>	<i>147</i>
<i>2 transmitters - less 10%</i>		
<i>3 transmitters - less 15%</i>		
<i>AM 666 (Exeter)</i>	<i>168</i>	<i>147</i>
<i>954 (Torbay)</i>	<i>147</i>	<i>126</i>
<i>2 transmitters - less 10%</i>		
<i>Combinations</i>		
<i>97.0FM/666AM (Exeter)</i>	<i>336</i>	<i>294</i>
<i>96.4FM/954AM (Torbay)</i>	<i>294</i>	<i>252</i>
<i>All transmitters</i>	<i>567</i>	<i>526</i>

42. REVENUE FROM SPONSORSHIP, CO-FUNDING OR OTHER SOURCES

Provide forecasts of net income (showing gross income, less deductions for commission, etc.), and basis on which it has been calculated, from sources other than the sale of advertising airtime, for each of the first three years of the licence period.

While there will be numerous programming opportunities for providing sponsorship credits to clients, we have decided to forecast cautiously in this category as both the number of opportunities that present themselves and the response from clients can fluctuate greatly from month to month. The figure provided for in the forecasts assumes that regular sponsors will be found for main items such as weather reports, travel, diary events and competitions.

As detailed in the Key Assumptions table within our business plan, sponsorship is estimated at £6,000 per month in the first year, with inflationary increases in years two and three.

Commercial production revenue has been estimated as a percentage of local airtime; in our experience, a rate of 7% appears congruent with the market place.

43. EFFECTS OF OBTAINING LICENCE ON ONE WAVEBAND ONLY

IMPORTANT NOTE: This question should only be answered if the application is for licences on both AM and FM wavebands (see Q.3); otherwise mark 'N/A.'

Outline anticipated effects on the business plan if the applicant were to be successful in obtaining a licence to broadcast on one waveband only (AM or FM; describe separately for each waveband, if appropriate). What are the implications for the scale of the applicant's operation, including any adjustments to the programme service proposed for the remaining waveband, reductions and/or restructuring of staff, and upon expected costs and revenue? Provide a full rationale for all adjustments anticipated.

If necessary, revised financial forecasts to illustrate the anticipated effects of obtaining a licence to broadcast on one waveband only may be submitted, either as part of the main application document or as an appendix to it; whichever approach is preferred, twenty copies are required.

Bay City Radio has provided this business plan on the presumption that both wavebands will be awarded to the same applicant. If this transpires not to be the case then the size of the coverage area and the need to service three core areas within it means that economies of scale will be difficult to achieve without affecting the product.

For example, should the revenue from AM be discounted entirely from the forecasts, ie. a figure approximating to £287,100 including sponsorship and commercial production income, then savings equating to this will need to be found in operating costs by reducing staffing levels by say, one sales executive, two presenters, one journalist and reducing the quality of other staff; this would save in the region of £100,000, including NI and motor expenses. A further £150,000 would be saved in royalty fees, transmission and technical costs, promotional costs and other overheads.

With modern technology as advanced as it is today, staffing and equipment reductions can be made efficiently and cost effectively without excessive harm to the product or the financial viability of the Company.

Therefore, the business plan for a combined operation would still function with the loss of the AM frequency, but opportunities available to both programmers and the sales team in their attempts to maximise audiences and local revenue would be restricted.

(Include one additional page, plus financial data, if necessary)

SECTION V : ENGINEERING

IMPORTANT NOTE: If applicant is applying for licences on both Am and FM wavebands, the following questions should be answered separately for each, as appropriate.

44. TRANSMISSION SITE

Is it proposed to locate the transmitter and the mast/aerial at the same site as used by the existing licensee? If yes, answer a) below. If the applicant proposes to use a site other than that used at present, answer b).

a) Existing site

Provide outline description of existing transmission site, to demonstrate familiarity with present arrangements. Has the applicant entered into negotiations with the owner/operator of the site (state who this is), regarding arrangements for new licence period if successful in licence application? If so, provide details; if not, state what arrangements are anticipated (and show how these have been incorporated in financial forecasts). (NOTE: This information may be provided separately, in confidence, if necessary).

TRANSMISSION SITES (i) FM Service

a) The company proposes to transmit from the same three sites used by the existing licensee, which are as follows:

(i) Beacon Hill, serving Torbay on 96.4MHz. The site is a main television transmitting station, owned by National Transcommunications Ltd ('NTL') and located at National Grid Reference SX 857 619. For the ILR service, it transmits an effective radiated power of 1.0 Kilowatt, using a dedicated directional aerial system.

(ii) Exeter St. Thomas, serving the Exeter area on 97.0MHz. The site is a television relay station, owned by NTL and located at National Grid Reference SX 898 922. For the ILR service, it transmits an effective radiated power of 1.0 Kilowatt, using a dedicated directional aerial system.

(iii) Stockland Hill, serving East Devon on 103.0MHz. The site is a main television transmitting station, owned by NTL and located at National Grid Reference ST 222 014. For the ILR service, it transmits an effective radiated power of 1.0 Kilowatt, using a dedicated directional aerial system.

All three sites are operated for the existing licensee by NTL.

The applicant has entered into outline discussions with NTL regarding the provision of future facilities at all three sites, with a view to NTL providing these on a Total Broadcast Contract ('TBC') for the period of the licence.

NTL's budget figures for TBCs for the three sites are included in the transmission costs which have been incorporated into the applicant's financial forecasts.

TRANSMISSION SITES (ii) AM Service

a) The company proposes to transmit from both the same sites used by the existing licensee, which are as follows:

(i) Ocombe, serving Torbay on 954KHz. The site is owned by the BBC, and located at National Grid Reference SX 878 630. For the ILR service, it transmits an effective radiated power of 320 watts, using a mast radiator aerial shared with BBC AM services.

(ii) Pearce's Hill, serving the Exeter area on 666KHz. The site is owned by the BBC and located at National Grid Reference SX 931 881. For the ILR service, it transmits an effective radiated power of 340 watts, using a mast radiator aerial shared with BBC AM services.

Both sites are operated for the existing licensee by NTL.

The applicant has entered into outline discussions with NTL regarding the provision of future facilities at both sites, with a view to NTL providing these on a TBC for the period of the licence.

NTL's budget figures for TBCs for these sites are the other transmission costs which have been incorporated into the applicant's financial forecasts.

(Include one additional page, per waveband, if necessary)

45. TRANSMISSION EQUIPMENT

On a separate sheet, list principal items and configurations of proposed transmitter equipment, including aeriels (with their associated gain). Give maximum power output capability of transmitter. If new transmitter installation will be required, state who within applicant group will be responsible for supervising or undertaking this (and for ensuring compliance with Authority's engineering code), and if an outside contractor will be employed, who this is. Show how capital or leasing costs of transmitting equipment, including any necessary building works, etc., and other installation costs, have been incorporated in financial forecasts (Section IV).

TRANSMISSION EQUIPMENT (i) FM Service

As it is not possible to ascertain the extent to which existing plant and equipment might become available for the provision of the applicant's service, the costs provided by NTL have been on the basis of providing new installations at all three FM sites.

To realise this, NTL propose to install new directional transmitting aeriels providing mixed polarisation signals, solid state transmitters with reserve drives and autochangeover systems. Programmes would be fed to all three sites by fixed BT landlines, and stereo limiters would be employed at each site to control modulation levels. The entire installations would be monitored using remote (PSTN) telemetry by NTL at their St. Hilary Operations Centre in South Wales.

Both at the installation stage and throughout the licence period, NTL would be contracted to take responsibility for ensuring that the transmitters complied with the Radio Authority's engineering code.

TRANSMISSION EQUIPMENT (ii) AM Service

As it is not possible to ascertain the extent to which existing plant and equipment might become available for the provision of the applicant's service, the costs provided by NTL have been on the basis of providing new installations at both AM sites.

To realise this, NTL propose to install new 1kw solid state transmitters with multi-redundancy output amplifiers, reserve drives and autochangeover systems. Programmes would be fed to both sites by fixed BT landlines, and Optimod audio processors would be installed to control modulation levels. The entire installations would be monitored using remote (PSTN) telemetry by NTL at their St. Hilary Operations Centre in South Wales.

NTL's proposals have been made on the assumption that they would be able to continue to share the BBC aerial systems.

Both at the installation stage and throughout the licence period, NTL would be contracted to take responsibility for ensuring that the transmitters complied with the Radio Authority's engineering code.

46. TRANSMITTER MAINTENANCE

Describe proposed arrangements for transmitter maintenance and repair. If use of an outside contractor is proposed, summarise previous experience in this role. If it is planned to use in-house resources, indicate test equipment available, and show how important parameters of the signal will be monitored and controlled.

The applicant proposes to contract NTL on a Total Broadcast Contract to provide both the transmission equipment and to maintain and repair it.

NTL is the longest established contractor in this field, currently operating transmitters for the majority of ILR companies and for ITV and Channel 4 Television.

(Include one additional page, if necessary)

47. **STUDIO LOCATION**

What is the proposed location of the studio(s)? If premises have already been obtained or earmarked for use, please give the actual address, and describe the present use of the property. Is it shared with other occupants; if so, who are they? What is the current status of any plans to acquire the use of these premises? If no specific premises are proposed, describe in general terms the district and type of location that will be sought.

The applicant proposes to site its studio away from the two main centres of the transmission area, and to choose a location providing flexible accommodation, adequate car parking, and good communications.

The company has obtained details of premises at Silverhills Road, Decoy Industrial Estate, Newton Abbot, which comply with all its requirements noted above.

The premises are a self-contained warehouse unit, currently vacant and available for rent, providing some 4,582 square feet of accommodation in a single storey steel-framed concrete building.

Although the applicant has not reserved the property for its use if successful, it is confident that a choice of other similar properties will be on the market if the Silverhills Road option is no longer available when the licence is awarded.

48. **STUDIO LAYOUT**

On a separate sheet, provide a rough scale plan of the studio(s), technical areas and other principal rooms, indicating approximate dimensions. State whether this is based on an actual property, or is a theoretical plan. Please add any further technical information about studio proposals that may be relevant. (Note: The Authority does not require details of studio equipment or acoustical treatment proposed).

See separate sheet.

Key Dimensions:

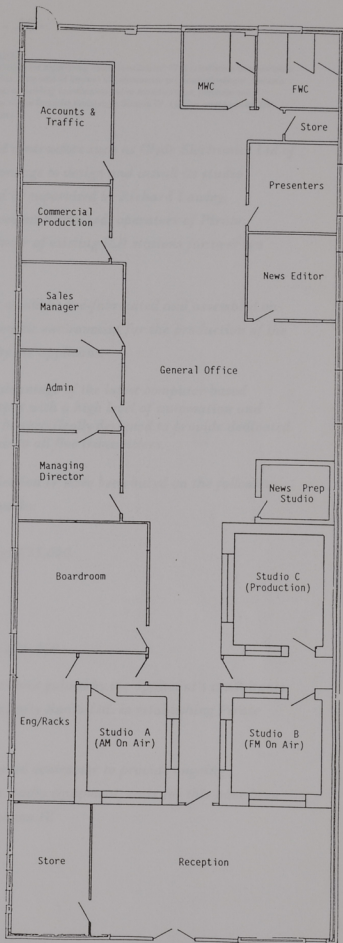
Studio A (internal) - 3.0m x 3.7m

Studio B (internal) - 3.4m x 3.7m

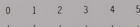
Studio C (internal) - 3.4m x 4.2m

Total floor area - 12m x 34.5m

(Based on property at
Unit 9B, Silverhills Road,
Decoy Ind Estate, Newton Abbot)



Proposed Studio Building
for Bay City Radio



Scale (metres)

49. **STUDIO INSTALLATION AND MAINTENANCE**
Who within the applicant group will have responsibility for supervising studio installation? Will installation be undertaken in-house, or by use of outside contractor; if the latter, state who (if known) and summarise previous experience. Indicate what allowance has been made for anticipated costs of building construction and/or modifications, purchase and installation of equipment, and project management within financial forecasts in Section IV. Outline arrangements for ongoing maintenance and repair of studio equipment.

The applicant would employ established contractors such as Clyde Electronics Ltd of Glasgow and/or Veale Associates of Stevenage to design and install its studio facilities. The chosen contractors would be supervised by Richard Lawley, Managing Director of Cornwall Independent Radio Ltd. operators of Pirate FM102, who has worked as Chief Engineer of existing ILR stations for over ten years.

The acoustic construction of the studio would be pre-fabricated and assembled on site, and designed to provide a good acoustic environment for the production of the entire range of programming planned by the applicant.

The technical installation would take advantage of the latest computer-based technologies to provide high quality output with a high level of automation and presenter support. The facilities would be specifically designed to provide dedicated output of both editorial and commercials to all five transmitters.

The applicant's financial forecasts in Section IV have been based on the following allowances for technical and building works:

Building conversion, fixtures and fittings £75,000

Studio acoustic construction £35,000

*Studio technical equipment £120,000
plus digital audio/automation facilities £75,000*

These costs have been based on the experience gained by the applicant's consultants Cornwall Independent Radio Ltd and Infinity Radio Ltd. in establishing Pirate FM102 in 1992 and Star FM in 1993.

The applicant would employ an experienced contractor to provide ongoing maintenance and repair services for the studio equipment; costs for this have been included in the financial forecasts in Section IV.

CONCLUDING SECTION

50. READINESS TO CONSIDER ALTERNATIVES

IMPORTANT NOTE: Applicant must answer either a) or b) below, as appropriate to the licence(s) applied for (see Q 3).

- a) If this application is for licences to operate on both AM and FM wavebands, is the applicant prepared to accept a licence for a single waveband only, if this is the Authority's decision? If yes, is the applicant prepared to accept a licence for the AM waveband only, and/or the FM waveband only?

Bay City Radio would be prepared to accept a licence for the FM waveband only. It does not, however, believe that its guiding principles and general objectives could be adequately served by a station on the AM waveband alone.

- b) If this application is for one licence only, on a single waveband (AM or FM), is the applicant prepared to accept a licence for the waveband other than the one applied for, if the Authority offers this?

51. CERTIFICATE

Applicants are required to conclude their submission with the following certificate:-

CERTIFICATE

I hereby certify that to the best of my knowledge and belief the statements made in this applications are correct. I understand that the Radio Authority reserves the right to revoke the licence if at any time any statement made is found to be false and to have been made by the applicant or any member or officer thereof knowing it to be false.

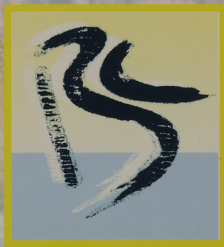
I also certify that, to the best of my knowledge, no person involved in this application has been convicted of an unlicensed broadcasting offence committed since 1 January 1989; and that I shall do all that I can to ensure that no person so convicted will be concerned in the operation of the radio station if this applicant is granted a licence.

Signed.....Forvigeens.....
Chairman
Date.....5th August 1993.....

NOTES

- 1) This version (B) of the application form should only be completed and submitted by an applicant who is not the existing Radio Authority local licensee in a given area, in response to a public notice by the Authority that the licence for that area is being re-advertised. (Version (A) is designed for completion by the existing licensee).
- 2) Applications must be typed or printed, in English.
- 3) Applicants must answer all questions set out in this application form; if any question is considered not applicable, please mark 'N/A' with further explanation if necessary.
- 4) The amount of space allocated for a question should not be exceeded (unless, in exceptional circumstances, this has been agreed beforehand and in writing by an officer of the Radio Authority).
- 5) Unless the Authority states otherwise in its notice of licence re-advertisement in a given area, twenty copies of the completed application form should be provided, accompanied by twenty copies of any information submitted separately in confidence (e.g. details of individuals involved in applicant group whose current employment could be jeopardised if this became known).
- 6) Applicants' proposals are available for public scrutiny and comment. If an applicant wishes to submit any information in confidence (other than where the application form specifically indicates that this is permissible), confirmation that this will be acceptable should be sought beforehand and in writing from an officer of the Radio Authority.
- 7) One copy only should be submitted of any detailed audience research report, or of any significant letters in support of an application, which an applicant wishes to provide as amplification of responses to relevant questions in Section III of this application. The Authority reserves the right to request additional copies, or any other supplementary material, subsequently if required.
- 8) Each application must be accompanied by the application fee payable in accordance with the waveband and category (based on population coverage) of each licence applied for. Applicants wishing to apply for licences on both AM and FM wavebands must pay the aggregate of the two fees payable. Application fees should accompany an application, in the form of a cheque made payable to the Radio Authority and crossed 'A/C Payee.' Application fees will not be refundable in any circumstances.
- 9) Applications must reach the Chief Executive of the Radio Authority by 2.00 p.m. on the closing-date indicated in the Authority's notice of licence re-advertisement.
- 10) Failure to comply with any of these requirements may render the application liable to disqualification without refund of the application fee(s).
- 11) Further copies of this form are available from the Radio Authority's Head of Development, at Holbrook House, 14 Great Queen Street, London WC2B 5DG (tel. 071-430 2724).

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